

HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2014

OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070
(Current) (Prior)

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry DC

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 840 First Street NE, Washington, DC, US 20065
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10455 Mill Run Circle
(Street and Number)
Owings Mills, MD, US 21117 410-581-3000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 10455 Mill Run Circle, Owings Mills, MD, US 21117
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle
(Street and Number)
Owings Mills, MD, US 21117 410-998-7011
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack, 410-998-7011
(Name) (Area Code) (Telephone Number)
bill.stack@carefirst.com 410-998-6850
(E-mail Address) (FAX Number)

OFFICERS

President and Chief Executive Officer Chester Emerson Burrell Corp. Treasurer & VP Jeanne Ann Kennedy
Corp. Secretary, Exec. VP & Gen. Counsel Meryl Davis Burgin

OTHER

<u>Gregory Mark Chaney EVP, CFO</u>	<u>Fred Adrian Walton Plumb EVP, SBU - FEP</u>	<u>Jonathan David Blum # EVP, Medical Affairs</u>
<u>Harry Dietz Fox EVP, Technical & Ops Support</u>	<u>Steven Jon Margolis EVP, Small & Medium Group SBU</u>	<u>Wanda Kay Oneferu-Bey EVP, Consumer Direct SBU</u>
<u>Michael Bruce Edwards SVP, Networks Mgmt</u>	<u>Gwendolyn Denise Skillern SVP, General Auditor</u>	<u>Rita Ann Costello SVP, Strategic Marketing</u>
<u>Maria Harris Tildon SVP, Public Policy</u>	<u>Jon Paul Shematek SVP, Chief Medical Officer</u>	<u>Kenny Waitem Kan SVP, Chief Actuary</u>
<u>Jennifer Ann Cryor Baldwin SVP, Patient Centered Medical Home (PCMH)</u>	<u>Michelle Judith Wright SVP, Human Resources</u>	

DIRECTORS OR TRUSTEES

<u>Shirley Marcus Allen #</u>	<u>Clifford Edward Barnes #</u>	<u>Faye Ford Fields</u>
<u>Artis Gail Hampshire-Cowan</u>	<u>Polly Povejsil Heath #</u>	<u>Bernard Keith Jarvis</u>
<u>Wendell Lee Johns</u>	<u>Robert Carl Kovarik Jr. #</u>	<u>Jack Allan Meyer</u>
<u>Shirley Rollins Patterson #</u>	<u>Beverly Lee Perry #</u>	<u>Elena Victoria Rios</u>
<u>Patricia Amelia Rodriguez</u>	<u>Robert Lee Sloan</u>	

State of Maryland SS:
County of Baltimore

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Chester Emerson Burrell
President and Chief Executive Officer

Meryl Davis Burgin
Corp. Secretary, Exec. VP & Gen. Counsel

Jeanne Ann Kennedy
Corp. Treasurer & VP

Subscribed and sworn to before me this 12TH day of NOVEMBER 2014
Cynthia L. Kipp

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....



ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	530,444,114	0	530,444,114	511,476,700
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	137,278,433	0	137,278,433	121,819,719
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$(91,868,927)), cash equivalents (\$0) and short-term investments (\$44,807,330)	(47,061,597)	0	(47,061,597)	5,226,484
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	467,814,291	166,667	467,647,624	435,518,247
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,088,475,241	166,667	1,088,308,574	1,074,041,150
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	3,961,894	0	3,961,894	3,883,879
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	235,787,863	5,825,314	229,962,549	231,616,283
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	1,450,000	0	1,450,000	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	10,189,117	0	10,189,117	16,926,028
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	752,248	0	752,248	846,884
17. Amounts receivable relating to uninsured plans	57,991,438	2,731,061	55,260,377	64,824,219
18.1 Current federal and foreign income tax recoverable and interest thereon	15,129,475	0	15,129,475	11,858,431
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	154,132,270	131,683,040	22,449,230	13,905,916
21. Furniture and equipment, including health care delivery assets (\$0)	6,453,939	6,453,939	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	37,232,197	0	37,232,197	10,932,605
24. Health care (\$106,731,051) and other amounts receivable	782,399,594	19,633,644	762,765,950	785,996,334
25. Aggregate write-ins for other than invested assets	121,250,054	98,951,256	22,298,798	1,215,189
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,515,205,330	265,444,921	2,249,760,409	2,216,046,918
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	2,515,205,330	265,444,921	2,249,760,409	2,216,046,918
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Other Assets	1,215,189	0	1,215,189	1,215,189
2502. ACA Risk Adjustment Receivable	21,083,609	0	21,083,609	0
2503. Pension- Prepaid	49,566,512	49,566,512	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	49,384,744	49,384,744	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	121,250,054	98,951,256	22,298,798	1,215,189

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$13,109,301 reinsurance ceded)	264,819,258	12,513,374	277,332,632	252,665,668
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	10,543,552	498,209	11,041,761	10,176,470
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	664,034,900	0	664,034,900	681,174,397
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	43,986,688	0	43,986,688	50,122,646
9. General expenses due or accrued	100,614,273	0	100,614,273	75,312,788
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized gains (losses))	0	0	0	0
10.2 Net deferred tax liability	28,274,107	0	28,274,107	22,352,282
11. Ceded reinsurance premiums payable	8,160,336	0	8,160,336	24,778,236
12. Amounts withheld or retained for the account of others	33,249,325	0	33,249,325	32,978,186
13. Remittances and items not allocated	9,411,121	0	9,411,121	1,898,216
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	112,900,875	0	112,900,875	59,913,386
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	18,729,419	0	18,729,419	16,774,834
23. Aggregate write-ins for other liabilities (including \$4,185,631 current)	47,659,890	0	47,659,890	53,148,334
24. Total liabilities (Lines 1 to 23)	1,342,383,744	13,011,583	1,355,395,327	1,281,295,443
25. Aggregate write-ins for special surplus funds	XXX	XXX	52,500,000	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	0	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	841,865,079	934,751,475
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	894,365,079	934,751,475
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,249,760,406	2,216,046,918
DETAILS OF WRITE-INS				
2301. Amounts Withheld for Escheatment	10,262,027	0	10,262,027	9,095,548
2302. Reinsurance Payable	554,702	0	554,702	810,113
2303. Other Liabilities	36,843,161	0	36,843,161	43,242,673
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	47,659,890	0	47,659,890	53,148,334
2501. Special Surplus - 2015 Health Insurer Fee	XXX	XXX	52,500,000	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	52,500,000	0
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	6,991,219	6,779,008	8,972,558
2. Net premium income (including \$0 non-health premium income)	XXX	2,443,765,104	2,332,354,127	3,095,809,333
3. Change in unearned premium reserves and reserve for rate credits	XXX	18,616,353	5,227,495	45,946,685
4. Fee-for-service (net of \$0 medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	9,339,095	9,776,057	16,385,253
7. Aggregate write-ins for other non-health revenues	XXX	3,825,024	2,359,482	3,729,154
8. Total revenues (Lines 2 to 7)	XXX	2,475,545,576	2,349,717,161	3,161,870,425
Hospital and Medical:				
9. Hospital/medical benefits	61,917,322	1,508,912,499	1,513,634,439	1,919,761,619
10. Other professional services	1,741,313	148,863,471	134,606,573	183,863,497
11. Outside referrals	36,411,945	36,411,945	21,421,030	40,786,618
12. Emergency room and out-of-area	1,587,074	56,911,079	35,655,456	69,411,341
13. Prescription drugs	0	501,929,281	478,300,611	709,848,954
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0
16. Subtotal (Lines 9 to 15)	101,657,654	2,253,028,275	2,183,618,109	2,923,672,029
Less:				
17. Net reinsurance recoveries	0	84,325,536	96,440,528	124,297,746
18. Total hospital and medical (Lines 16 minus 17)	101,657,654	2,168,702,739	2,087,177,581	2,799,374,283
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$44,366,659 cost containment expenses	0	105,427,251	112,220,810	144,404,857
21. General administrative expenses	0	279,100,165	183,174,991	253,957,314
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	101,657,654	2,553,230,155	2,382,573,382	3,197,736,454
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(77,684,579)	(32,856,221)	(35,866,029)
25. Net investment income earned	0	12,900,063	9,321,541	14,209,056
26. Net realized capital gains (losses) less capital gains tax of \$1,609,824	0	6,439,295	19,661,958	19,759,606
27. Net investment gains (losses) (Lines 25 plus 26)	0	19,339,358	28,983,499	33,968,662
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$0) (amount charged off \$0)]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	965,279	248,988	340,974
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(57,379,942)	(3,623,734)	(1,556,393)
31. Federal and foreign income taxes incurred	XXX	(5,130,337)	(7,432,315)	(10,539,059)
32. Net income (loss) (Lines 30 minus 31)	XXX	(52,249,605)	3,808,581	8,982,666
DETAILS OF WRITE-INS				
0601. FEP Performance Incentive	XXX	9,268,467	9,707,000	16,268,743
0602. Trigon network fee - Med D	XXX	71,596	69,057	91,098
0603. Med D admin Reimbursement	XXX	(968)	0	25,412
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	9,339,095	9,776,057	16,385,253
0701. FEP Bridge	XXX	3,825,024	2,359,482	3,729,154
0702.	XXX	0	0	0
0703.	XXX	0	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	3,825,024	2,359,482	3,729,154
1401.	0	0	0	0
1402.	0	0	0	0
1403	0	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901. Miscellaneous	0	957,237	292,179	498,308
2902. Regulatory fines and fees	0	8,042	(43,191)	(157,334)
2903	0	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	965,279	248,988	340,974

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	934,751,475	941,070,955	941,070,954
34. Net income or (loss) from Line 32.....	(52,249,605)	3,808,581	8,982,666
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$..... (663,062)	30,897,975	24,069,409	30,090,730
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0	0
38. Change in net deferred income tax.....	(6,584,887)	(7,942,348)	(11,798,087)
39. Change in nonadmitted assets.....	(12,449,876)	(22,662,828)	(4,346,501)
40. Change in unauthorized and certified reinsurance.....	0	0	0
41. Change in treasury stock.....	0	0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....	0	(1,696,000)	(2,174,001)
44. Capital Changes:			
44.1 Paid in.....	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in.....	0	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....	0	0	0
46. Dividends to stockholders.....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	(27,074,286)
48. Net change in capital & surplus (Lines 34 to 47).....	(40,386,393)	(4,423,186)	(6,319,479)
49. Capital and surplus end of reporting period (Line 33 plus 48)	894,365,082	936,647,769	934,751,475
DETAILS OF WRITE-INS			
4701. Change in additional liability\Intangible Assets for pension.....	0	0	(27,119,941)
4702. Miscellaneous.....	0	0	45,655
4703.	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	(27,074,286)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	2,421,072,912	2,308,717,733	3,110,022,104
2. Net investment income	15,797,351	15,050,854	20,817,591
3. Miscellaneous income	13,164,119	12,135,539	20,114,407
4. Total (Lines 1 to 3)	2,450,034,382	2,335,904,126	3,150,954,102
5. Benefit and loss related payments	2,118,604,234	2,052,361,654	2,787,931,991
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	308,764,569	282,155,922	380,234,261
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 1,609,824 tax on capital gains (losses)	(249,469)	(473,467)	(8,820,159)
10. Total (Lines 5 through 9)	2,427,119,334	2,334,044,109	3,159,346,093
11. Net cash from operations (Line 4 minus Line 10)	22,915,048	1,860,017	(8,391,991)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	533,557,045	549,621,962	750,487,050
12.2 Stocks	45,831,293	121,886,308	126,886,308
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	28,131	9,226	9,628
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	579,416,469	671,517,496	877,382,986
13. Cost of investments acquired (long-term only):			
13.1 Bonds	551,938,802	553,455,894	717,279,295
13.2 Stocks	58,724,439	52,078,891	52,078,892
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	610,663,241	605,534,785	769,358,187
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(31,246,772)	65,982,711	108,024,799
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	(43,956,355)	(52,898,338)	(57,346,538)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(43,956,355)	(52,898,338)	(57,346,538)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(52,288,079)	14,944,390	42,286,270
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	5,226,484	(37,059,786)	(37,059,786)
19.2 End of period (Line 18 plus Line 19.1)	(47,061,595)	(22,115,396)	5,226,484

Note: Supplemental disclosures of cash flow information for non-cash transactions:

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	728,464	52,013	233,063	6,845	12,417	24,338	370,878	.0	.0	28,910
2. First Quarter	772,097	62,792	239,603	8,099	12,727	50,699	368,108	.0	.0	30,069
3. Second Quarter	780,736	72,202	239,290	8,376	12,868	51,304	366,891	.0	.0	29,805
4. Third Quarter	781,343	70,896	239,336	8,786	13,646	52,557	365,472	.0	.0	30,650
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	6,991,219	606,669	2,150,219	75,033	117,319	461,094	3,307,951	0	0	272,934
Total Member Ambulatory Encounters for Period:										
7. Physician	7,145,105	271,551	1,282,287	94,557	.0	.0	5,496,710	.0	.0	.0
8. Non-Physician	2,979,627	131,277	468,747	31,469	0	0	2,348,134	0	0	0
9. Total	10,124,732	402,828	1,751,034	126,026	0	0	7,844,844	0	0	0
10. Hospital Patient Days Incurred	150,379	7,342	30,648	3,759	0	0	108,630	0	0	0
11. Number of Inpatient Admissions	32,738	1,894	8,635	855	0	0	21,354	0	0	0
12. Health Premiums Written (a)	2,531,545,007	150,272,690	909,340,334	14,831,032	8,317,822	48,457,008	1,392,284,935	.0	.0	8,041,186
13. Life Premiums Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Property/Casualty Premiums Written .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Health Premiums Earned	2,550,126,288	152,662,690	901,332,118	14,831,032	8,317,822	48,457,008	1,416,484,432	.0	.0	8,041,186
16. Property/Casualty Premiums Earned .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Amount Paid for Provision of Health Care Services.....	2,226,834,509	127,461,807	743,454,122	11,512,457	7,493,055	36,605,179	1,298,797,263	.0	.0	1,510,626
18. Amount Incurred for Provision of Health Care Services	2,253,028,275	135,277,290	750,668,913	12,034,111	7,447,513	36,527,432	1,306,927,263	0	0	4,145,753

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	78,656,923	740,120,558	2,095,580	86,485,124	80,752,503	74,595,003
2. Medicare Supplement	2,655,412	15,362,587	49,076	3,456,049	2,704,488	3,099,707
3. Dental Only	3,048,121	24,314,504	59,185	2,703,855	3,107,306	3,278,185
4. Vision Only	0	7,088,894	0	(45,542)	0	0
5. Federal Employees Health Benefits Plan	162,368,394	1,136,428,869	4,393,525	168,757,250	166,761,919	165,020,774
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	868,857	5,077,050	4,555,979	4,822,552	5,424,836	6,671,997
9. Health subtotal (Lines 1 to 8)	247,597,707	1,928,392,462	11,153,345	266,179,288	258,751,052	252,665,666
10. Healthcare receivables (a)	0	31,954,392	0	0	0	0
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12)	247,597,707	1,896,438,070	11,153,345	266,179,288	258,751,052	252,665,666

(a) Excludes \$ 89,995,499 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies**A. Accounting Practices**

The financial statements of Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB).

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia. The Company does not utilize any permitted practices.

For the nine months ended September 30, 2014 and the year ended December 31, 2013, there were no differences in net (loss) income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

		<i>(in thousands)</i>	
	State of Domicile	September 30, 2014	December 31, 2013
NET (LOSS) INCOME			
(1) State basis (Page 4, Line 32, Columns 2 & 3)	DC	\$ (52,250)	\$ 8,983
(2) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(4) NAIC SAP (1-2-3=4)	DC	<u>\$ (52,250)</u>	<u>\$ 8,983</u>
SURPLUS			
(5) State basis (Page 3, Line 33, Columns 3 & 4)	DC	\$ 894,365	\$ 934,751
(6) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(8) NAIC SAP (5-6-7=8)	DC	<u>\$ 894,365</u>	<u>\$ 934,751</u>

B. Use of Estimates in the Preparation of the Financial Statements

No change.

C. Accounting Policy

No change.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments**A. Mortgage Loans, including Mezzanine Real Estate Loans**

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-Backed Securities

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the fair value for such securities.
- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended September 30, 2014, the Company did not recognize other than temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At September 30, 2014, the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected

NOTES TO FINANCIAL STATEMENTS

is less than the amortized cost basis.

- (4) The following table shows the gross unrealized losses and fair value of the Company's mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other than temporarily impaired, aggregated by investment category and by length of time that individual securities have been in a continuous unrealized loss position (*in thousands*).

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
September 30, 2014					
Government sponsored enterprise mortgage-backed securities	\$ 68,418	\$ 454	\$ 17,405	\$ 641	\$ 1,095
Other mortgage-backed and asset-backed securities	14,147	82	15,336	360	442
Total	<u>\$ 82,565</u>	<u>\$ 536</u>	<u>\$ 32,741</u>	<u>\$ 1,001</u>	<u>\$ 1,537</u>

- (5) No change.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits (LIHTC)

None.

H. Restricted Assets

None.

I. Working Capital Finance Investments

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. – B. No change.

7. Investment Income

A. – B. No change.

8. Derivative Instruments

None.

9. Income Taxes

The Company is included in the consolidated federal income tax return of CFI. The federal statutory income tax rate for the Company is 35%. For federal income tax purposes, the Company benefits from a special deduction provided to certain BlueCross and BlueShield organizations under Internal Revenue Code Section 833(b) (the 833(b) deduction).

The 833(b) deduction results in the Company incurring income taxes at the Tentative Minimum Tax rate of 20%. As a result, the Company's income tax provision is reduced from the statutory rate of 35% to account for the benefit of the 833(b) deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company's reserves reach certain levels, if the medical loss ratio does not exceed 85% as required under the Health Reform Legislation, or if certain other events occur. If the Company can no longer use the 833(b) deduction, the Company will incur federal income taxes at the statutory rate of 35%, net of available Alternative Minimum Tax (AMT) credits.

CFI has a written agreement, approved by the Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidated return. The tax sharing agreement calls for allocation of current federal income tax liability to the Company on the basis of the percentage of the consolidated federal income tax liability attributable to the Company computed on a separate company basis to the total consolidated federal income tax liability. The agreement also provides that to the extent the Company's tax attributes (e.g., NOLs) reduce the consolidated federal income tax liability, CFI shall pay the Company for use of such attributes in the year utilized. Amounts due from the subsidiaries for federal income taxes are settled quarterly.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

NOTES TO FINANCIAL STATEMENTS

The following table shows the components of the net deferred tax asset and deferred tax liability recognized in the Company's financial statements by tax character (*in thousands*):

	September 30, 2014			December 31, 2013			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	154,239	29,302	183,541	156,848	25,611	182,459	(2,609)	3,691	1,082
Statutory valuation allowance adjustment	114,293	-	114,293	118,184	-	118,184	(3,891)	-	(3,891)
Adjusted gross deferred tax assets	39,946	29,302	69,248	38,664	25,611	64,275	1,282	3,691	4,973
Deferred tax assets nonadmitted	25,123	324	25,447	21,838	324	22,162	3,285	-	3,285
Subtotal net admitted deferred tax asset	14,823	28,978	43,801	16,826	25,287	42,113	(2,003)	3,691	1,688
Deferred tax liabilities	525	71,551	72,076	1,157	63,308	64,465	(632)	8,243	7,611
Net admitted deferred tax asset/(liability)	14,298	(42,573)	(28,275)	15,669	(38,021)	(22,352)	(1,371)	(4,552)	(5,923)

The amount of admitted adjusted gross deferred tax assets are as follows (*in thousands*):

	September 30, 2014			December 31, 2013			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets from a, above) After application of the Threshold Limitation. (Lesser of b.i. and b.ii. Below)	10,040	-	10,040	11,040	-	11,040	(1,000)	-	(1,000)
i. Adjusted gross DTA expected to be realized following the Balance Sheet Date	10,040	-	10,040	11,040	-	11,040	(1,000)	-	(1,000)
ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	NA	NA	130,787	NA	NA	140,213	NA	NA	(9,426)
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above) Offset by Gross Deferred Tax Liabilities.	4,783	28,978	33,761	5,786	25,287	31,073	(1,003)	3,691	2,688
Deferred Tax Asset Admitted as the result of application of SSAP No. 101 Total (a.+b.+c.)	\$ 14,823	\$ 28,978	\$ 43,801	\$ 16,826	\$ 25,287	\$ 42,113	\$ (2,003)	\$ 3,691	\$ 1,688

	9/30/2014	12/31/2013
Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	932%	932%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation	871,916	934,751

The impact of tax planning strategies on adjusted gross DTA's and net admitted DTA's is as follows (*in thousands*):

	September 30, 2014			12/31/2013			Change		
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
Adjusted Gross DTAs	39,946	29,302	69,248	38,664	25,611	64,275	1,282	3,691	4,973
Percentage of Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Admitted Adjusted Gross DTAs	14,823	28,978	43,801	16,826	25,287	42,113	(2,003)	3,691	1,688
Percentage of Net Admitted Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%

The Company's tax-planning strategy does not include the use of reinsurance.

The benefit for income taxes on earnings for the quarters ended September 30, 2014 and 2013 and year ended December 31, 2013 are as follows (*in thousands*):

	Sep. 30, 2014	Sep. 30, 2013	Dec. 31, 2013
Federal benefit	(5,130)	(7,432)	(10,539)
Federal income tax on net capital gains	1,610	4,915	4,940
Federal income tax benefit	<u>(3,520)</u>	<u>(2,517)</u>	<u>(5,599)</u>

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows (in thousands):

Deferred Tax Assets:	Sep. 30, 2014	Dec. 31, 2013	Change
Ordinary			
Benefit Obligations	23,235	23,533	(298)
Unpaid Claims	1,107	1,588	(481)
Accrued Expenses	6,754	7,443	(689)
Nonadmitted Assets	30,871	27,544	3,327
AMT Credits	82,786	88,391	(5,605)
Other	9,486	8,349	1,137
Subtotal	<u>154,239</u>	<u>156,848</u>	<u>(2,609)</u>
Statutory valuation allowance adjustment	114,293	118,184	(3,891)
Nonadmitted	<u>25,123</u>	<u>21,838</u>	<u>3,285</u>
Admitted ordinary deferred tax assets	<u>14,823</u>	<u>16,826</u>	<u>(2,003)</u>
Capital			
Investments	29,302	25,611	3,691
Subtotal	<u>29,302</u>	<u>25,611</u>	<u>3,691</u>
Nonadmitted	<u>324</u>	<u>324</u>	<u>-</u>
Admitted capital deferred tax assets	<u>28,978</u>	<u>25,287</u>	<u>3,691</u>
Admitted deferred tax assets	<u>43,801</u>	<u>42,113</u>	<u>1,688</u>
Deferred Tax Liabilities:			
Ordinary			
Accrued Expenses	514	1,147	(633)
Unpaid Claims	<u>11</u>	<u>10</u>	<u>1</u>
Subtotal	<u>525</u>	<u>1,157</u>	<u>(632)</u>
Capital			
Investments	4,501	4,872	(371)
Investment in affiliate	<u>67,050</u>	<u>58,436</u>	<u>8,614</u>
Subtotal	<u>71,551</u>	<u>63,308</u>	<u>8,243</u>
Deferred tax liabilities	<u>72,076</u>	<u>64,465</u>	<u>7,611</u>
Net deferred tax liabilities	<u>(28,275)</u>	<u>(22,352)</u>	<u>(5,923)</u>

Deferred tax assets are reflected as admitted assets, subject to certain limitations. The components of the net deferred tax asset recognized in the Company's balance sheets—statutory basis are as follows (in thousands):

	Sep. 30, 2014	Dec. 31, 2013	Change
Adjusted gross deferred tax assets	69,248	64,275	4,973
Total deferred tax liabilities	<u>72,076</u>	<u>64,465</u>	<u>(7,611)</u>
Net deferred tax liabilities	<u>(2,828)</u>	<u>(190)</u>	<u>(2,638)</u>
Tax effect of unrealized gains(losses)			(379)
Investment in Affiliate			<u>4,922</u>
Change in net deferred income tax			<u>1,905</u>

The reconciliation of the federal income tax rate to the actual effective rate is as follows (in thousands):

	Sep. 30, 2014	Effective Tax Rate
Provision computed at statutory rate	(19,520)	35.00%
Permanent book to tax and other reserve adjustment	17,905	-32.11%
Pension Equity	3,407	-6.11%
Changes in valuation allowance	(3,892)	6.98%
Nonadmitted assets and other	<u>(3,325)</u>	<u>5.97%</u>
Total	<u>(5,425)</u>	<u>9.73%</u>
Federal income taxes incurred	(3,520)	6.31%
Change in net deferred income taxes	<u>(1,905)</u>	<u>3.42%</u>
Total statutory income taxes	<u>(5,425)</u>	<u>9.73%</u>

NOTES TO FINANCIAL STATEMENTS

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2011 and forward remain open under the statutes of limitation and subject to examination.

The Company is exempt from all state income taxes in the jurisdictions for which it is registered to do business.

10. Information Concerning Parent, Subsidiaries and Affiliates

Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) is a not-for-profit company that provides a comprehensive array of health insurance and managed care products and services primarily through indemnity health insurance and health benefits administration. Other products and services include preferred provider and point of service networks, third-party administrator services and other managed care services. These products and services are provided to individuals, businesses and governmental agencies primarily in the Washington, D.C. metropolitan area, Northern Virginia and the state of Maryland.

The Company and CareFirst of Maryland, Inc. (CFMI) are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield.

The Company and CFMI hold joint interests in a holding company, CareFirst Holdings, LLC (CFH). CFH was formed on December 31, 2010 by contributed assets from the Company and CFMI. Since control over CFH operations is vested in CFI, GHMSI determined that neither GHMSI nor CFMI exercise control over CFH. CFH's wholly-owned subsidiaries include First Care, Inc. (FirstCare), CFA, LLC, National Capital Insurance Agency, LLC, Capital Area Services Company, LLC and CareFirst BlueChoice, Inc. and its subsidiaries. CFH and its subsidiaries are owned 50.001% by CFMI and 49.999% by GHMSI.

11. Debt

None.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The components of net periodic benefit cost for the nine months ended September 30, 2014 and 2013 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Service cost	\$ 5,715	\$ 5,746	\$ 445	\$ 756
Interest cost	11,229	9,653	895	1,023
Expected return on plan assets	(19,537)	(19,023)	—	—
Amortization of transition (asset) liability	(1,988)	(1,988)	—	725
Amortization of prior service cost	156	156	207	—
Net recognized actuarial loss	2,595	6,645	—	—
Net periodic benefit cost for the nine months ended September 30	<u>\$ (1,830)</u>	<u>\$ 1,189</u>	<u>\$ 1,547</u>	<u>\$ 2,504</u>

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) No change.

(2) – (9) Not applicable.

(10) Change in net unrealized capital gains (losses) for the nine months ended September 30, 2014:

Change in the unrealized gains (losses) from:

Affiliated common stocks:

CareFirst Holdings	\$ 2,536,262
CareFirst BlueChoice	24,609,128
FirstCare	(556,898)
CFA	2,796,305
CASCI	2,550,485
NCIA	194,096
Unaffiliated common stocks	(1,886,218)
Bonds	(8,247)
Total unrealized gains (losses)	<u>30,234,913</u>
Capital gains deferred taxes	<u>663,062</u>

Change in net unrealized capital gains (losses)

less capital gains taxes (page 5 line 36) \$ 30,897,975

(11) – (13) Not applicable.

14. Contingencies

NOTES TO FINANCIAL STATEMENTS

A. Contingent Commitments

None.

B. Assessments

In the jurisdictions in which the Company is licensed to conduct business, guaranty associations have been created for the purpose, among others, of protecting insured parties under health insurance policies when a health insurer becomes impaired, insolvent, or fails. The Company is contingently liable for assessments in any calendar year, in order to provide any required funds to carry out the power and duties of the associations. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

The Pennsylvania Insurance Commissioner has placed long-term care insurer Penn Treaty Network America Insurance Company and one of its subsidiaries (collectively, "Penn Treaty") in rehabilitation, an intermediate action before insolvency, and has petitioned a state court for liquidation. If Penn Treaty is liquidated, the Company and other insurers may be required to pay a portion of Penn Treaty's policyholder claims through guaranty association assessments in future periods. The Company is currently unable to predict the ultimate outcome of, or reasonably estimate the loss or range of losses resulting from, this potential insolvency because the Company cannot predict when the state court will render a decision, the amount of the insolvency, if any, the amount and timing of associated guaranty association assessments or the amount or availability of potential offsets, such as premium tax offsets. It is possible that in future reporting periods the Company may record a liability and a premium tax offset receivable relating to Penn Treaty which could have a material adverse effect on the Company's financial statements.

C. Gain Contingencies

None.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None.

E. All Other Contingencies

The Company insures individuals and provides administrative services to non-risk groups with members who are qualified Medicare beneficiaries. Medicare law identifies the primary payer and secondary payer of claims when individuals are insured by either the Company or an employer and Medicare. Principally as a result of information systems programming errors, the Company incorrectly paid certain claims in years prior to 2009 as the secondary payer rather than as the primary payer for individuals that were insured by the Company. The issues were communicated to CMS in May 2009. The Company has implemented corrective measures to (1) correctly identify Medicare beneficiaries that should be paid primary and (2) modify information systems to correctly adjudicate claims on behalf of Medicare beneficiaries.

Based on its interpretation of Medicare law, the Company believes it is liable for improperly processed claims for the period from January 1, 2006 to December 31, 2008. In 2009, CFMI, GHMSI and CFBC provided CMS with the data of the incorrectly paid claims and offered to settle its obligations to CMS for \$19,000,000. Accordingly, CFMI, GHMSI and CFBC recorded a liability of \$19,000,000 at December 31, 2009 for this proposed settlement, of which \$9,885,000 was recorded by the Company. The Company received demand letters from CMS regarding certain of these individual claims during 2010 and 2011. No demand letters were received in 2012 or 2013. Based on the claims processed in response to these demand letters and its ongoing evaluation of the Company's liability for this matter, the Company released a portion of the reserves that had been established in 2009 at December 31, 2012. The remaining balance of the liability was \$7,467,000 at December 31, 2012. During 2013, CMS made a settlement offer of \$16,054,000, which represented the total liability established in 2009 minus the amount paid to date from the demand letters processed in 2010 and 2011. As a result, the Company re-established a portion of the reserve that was released in 2012 to restore the liability back to the settlement amount offered by CMS. Accordingly, the balance of the liability was \$8,440,000 as of December 31, 2013, and was included in general expenses due or accrued. The final settlement amount of \$8,434,000 was paid in February 2014.

During 2012, the Company discovered an unrelated processing error related to the handling of claims for Medicare members of certain non-risk groups between the years from 2009 to 2012. This error was promptly corrected once identified by the Company. As a result, CFMI and GHMSI recorded a liability of \$4,800,000, of which \$1,143,000 was recorded by the Company representing the Company's best estimate of its portion of liability to CMS at December 31, 2012. In 2013, this liability was reduced after the Company completed its on-going review of the claims data related to this liability. At December 31, 2013, the liability was reduced to \$721,000, and was included in other liabilities. There have been no adjustments to this liability since December 31, 2013. The Company's management believes, after consultation with legal counsel, that the final resolution of this matter will not result in additional material liabilities to the Company.

15. Leases**A. Lessee Operating Lease**

No change.

NOTES TO FINANCIAL STATEMENTS

B. Lessor Leases

Not applicable.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales**

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

None.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**A. ASO Plans**

Not applicable.

B. ASC Plans

The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the nine months ended September 30, 2014 and 2013 (*in thousands*):

	September 30	
	2014	2013
Gross reimbursement for medical costs incurred	\$ 566,679	\$ 813,820
Gross administrative fees accrued	36,964	48,232
Gross expenses incurred	(620,992)	(873,729)
Operating loss, before stop loss	<u>\$ (17,349)</u>	<u>\$ (11,677)</u>
Stop loss, net	4,277	1,913
Proforma operating loss	<u>\$ (13,072)</u>	<u>\$ (9,764)</u>

The stop loss amount reported above represents the stop loss underwriting gain from the ASC business.

For the nine months ended September 30, 2014, GHMSI ceded an ASC underwriting loss of \$933,000 to CFMI and assumed an ASC underwriting loss of \$5,164,000 from CFMI for a net underwriting loss of \$4,231,000. For the nine months ended September 30, 2013, GHMSI ceded an ASC underwriting loss of \$942,000 to CFMI and assumed an ASC underwriting loss of \$1,248,000 from CFMI for a net underwriting loss of \$306,000.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Fair Value Measurements

Included in various investment-related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stocks when carried at the lower of cost or market. SSAP No. 100 *Fair Value Measurements* defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value. The fair value hierarchy is as follows:

- Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Other observable inputs, either directly or indirectly.
- Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

NOTES TO FINANCIAL STATEMENTS

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset. Management is responsible for the determination of fair value, and performs monthly analyses on the prices received from third parties to determine whether the prices appear to be reasonable estimates of fair value.

There were no transfers between levels during the nine months ended September 30, 2014.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Bonds. The fair value of U.S. Treasury securities is determined by an active price for an identical security in an observable market and is therefore classified as Level 1. Other U.S. government agencies securities, state and municipal securities, foreign governments securities, corporate bonds, mortgage-backed securities and other asset-backed securities that are priced by independent pricing services using observable inputs are classified as Level 2. Observable inputs used for other U.S. government agencies securities include quoted prices for like or similar assets, benchmark yields, reported trades and credit spreads. Observable inputs used for state and municipal securities, foreign governments securities and corporate bonds include quoted prices for identical or similar assets that are traded in an active market, benchmark yields, new issuances, issuer ratings, reported trades of comparable securities and credit spreads. The fair value of mortgage-backed securities and other asset-backed securities is determined by a cash flow model, which utilizes observable inputs such as quoted prices for identical or similar assets, benchmark yields, prepayment speeds, collateral performance, credit spreads, and default rates at commonly quoted intervals.

Stocks. Fair values of publicly-traded index funds where market quotes are available but are not considered actively traded are classified as Level 2. Net asset value of the fixed income index fund invested in U.S. Treasury inflation-protected securities (USTIPS) is calculated as of the close of business of the New York Stock Exchange. Fair value of the fixed income index fund where a market quote is available but is not considered actively traded is classified as Level 2. Fair values of privately held equity securities, where there has been limited trading activity or where less price transparency exists around the inputs to the valuation, are classified as Level 3.

The following table presents information about the fair value of the Company's financial instruments measured and reported at fair value (*in thousands*).

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value as of September 30, 2014
Assets				
Bonds	\$ —	\$ 868	\$ —	\$ 868
Common stocks				
Large capital equity index fund	—	43,672	—	43,672
Small capital equity index fund	—	16,777	—	16,777
International equity index fund	—	33,305	—	33,305
Publicly-traded fixed income index fund (a)	—	39,541	—	39,541
Privately held equity securities	—	—	3,983	3,983
Total common stocks	—	133,295	3,983	137,278
Total assets measured and reported at fair value	\$ —	\$ 134,163	\$ 3,983	\$ 138,146

(a) Represent investments in USTIPS.

A reconciliation of the beginning and ending balances of privately held equity securities measured at fair value using Level 3 inputs is as follows (*in thousands*):

Beginning balance at January 1, 2014	\$ 4,300
Unrealized losses in capital and surplus—statutory basis	(317)
Ending balance at September 30, 2014	<u>\$ 3,983</u>
Change in unrealized losses included in net income related to assets still held	<u>\$ —</u>

The following table presents information about the aggregate fair value of the Company's financial instruments (*in thousands*).

NOTES TO FINANCIAL STATEMENTS

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Aggregate Fair Value as of September 30, 2014	Admitted Assets as of September 30, 2014
Bonds	\$ 39,738	\$ 498,297	\$ –	\$ 538,035	\$ 530,444
Common stocks	–	133,295	3,983	137,278	137,278
Total	\$ 39,738	\$ 631,592	\$ 3,983	\$ 675,313	\$ 667,722

As of September 30, 2014, the Company has no financial instruments for which it is not practicable to estimate fair value.

21. Other Items**A. Extraordinary Items**

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures and Unusual Items

The Company is subject to the Health Insurer Tax (HIT) under Section 9010 of the Patient Protection and Affordable Care Act. In accordance with SSAP No. 106 *Affordable Care Act Assessments*, the entire HIT fee for 2014 is recognized as general administrative expense on January 1. The Company has recorded the 2014 HIT fee of \$47,179,000, net of reinsurance, as of September 30, 2014.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non-transferable Tax Credits

Not applicable.

F. Subprime-Mortgage-Related Risk Exposure

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of September 30, 2014.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

G. Retained Assets

Not applicable.

H. Offsetting and Netting of Assets and Liabilities

Not applicable.

I. Joint and Several Liabilities

Not applicable.

22. Events Subsequent

Not Applicable.

23. Reinsurance**A. Ceded Reinsurance Report**

The Company maintains a quota-share reinsurance contract with FirstCare, a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with CMS. The Company assumed risk premiums in the amount of \$4,336,000 and \$4,972,000, and incurred an underwriting loss in the amount of \$487,000 and \$431,000, for the nine months ended September 30, 2014 and 2013, respectively.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The net underwriting gain or loss from this cross-jurisdictional business is transferred via a quota-share reinsurance contract from the company that earned them to the company in whose service area

NOTES TO FINANCIAL STATEMENTS

they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI for the nine months ended September 30, 2014 and 2013 (*in thousands*):

	September 30	
	2014	2013
Premiums assumed	\$ 36,681	\$ 38,497
Premiums ceded	(127,928)	(164,148)
Premiums, net	(91,247)	(125,651)
Cost of care assumed	25,063	28,619
Cost of care ceded	(106,006)	(129,382)
Cost of care, net	(80,943)	(100,763)
General and administrative expenses ceded, net	(16,349)	(24,945)
Net loss ceded	\$ 6,045	\$ 57

B. Uncollectible Reinsurance

Not applicable.

C. Commutation of Ceded Reinsurance

Not applicable.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. – C. Not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act are as follows (*in thousands*):

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ –	\$ 1,989	\$ –	\$ –	\$ 1,989
(2) Medical loss ratio rebates paid	–	1,989	–	–	1,989
(3) Medical loss ratio rebates unpaid	–	–	–	–	–
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ –
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ –	\$ 8	\$ –	\$ –	\$ 8
(8) Medical loss ratio rebates paid	–	8	–	–	8
(9) Medical loss ratio rebates unpaid	–	–	–	–	–
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	263
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 263

E. Risk Sharing Provisions of the Affordable Care Act

- Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act (ACA) risk sharing provisions?

Yes.

- Impact of Risk Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue for the nine months ended September 30, 2014 (*in thousands*):

NOTES TO FINANCIAL STATEMENTS

a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 21,084
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	28
3. Premium adjustments payable due to ACA Risk Adjustment	–
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts written due to ACA Risk Adjustment	21,084
5. Reported in expenses as ACA risk adjustment user fees incurred	28
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ 5,323
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	2,164
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	–
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	25,284
5. Ceded reinsurance premiums payable due to ACA Reinsurance	842
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	–
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	842
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	7,487
9. ACA Reinsurance contributions – not reported as ceded premium	25,284
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due from ACA Risk Corridors	\$ 1,450
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	–
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income	–
4. Effect of ACA Risk Corridors on change in reserves for rate credits	1,450

The above amounts are subject to the Company's reinsurance agreement with CFMI as noted in Note 23.

25. Change in Incurred Claims and Claim Adjustment Expenses

As of September 30, 2014, \$247,597,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$11,153,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$6,084,000 unfavorable prior year development since December 31, 2013 to September 30, 2014, which includes a \$1,741,000 unfavorable development in the Federal Employee Program line of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

No change.

B. Risk Sharing Receivables

Not applicable.

29. Participating Policies

NOTES TO FINANCIAL STATEMENTS

Not applicable.

30. Premium Deficiency Reserve

1. Liability carried for premium deficiency reserves: \$8,000,000 within aggregate health policy reserves
2. Date of the most recent evaluation of this liability: September 30, 2014
3. Was anticipated investment income utilized in the calculation? No

31. Salvage and Subrogation

No change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [X] No []
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [X] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/29/2009
- 6.4 By what department or departments?
District of Columbia Department of Insurance, Securities and Banking
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes No
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
The code was amended in 2013 with an effective date of January 1, 2014. The code is periodically updated to reflect best practices and new policies.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13. Amount of real estate and mortgages held in short-term investments: \$0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
- 14.2 If yes, please complete the following:
- | | 1
Prior Year-End
Book/Adjusted
Carrying Value | 2
Current Quarter
Book/Adjusted
Carrying Value |
|---|--|---|
| 14.21 Bonds | \$0 | \$0 |
| 14.22 Preferred Stock | \$0 | \$0 |
| 14.23 Common Stock | \$0 | \$0 |
| 14.24 Short-Term Investments | \$0 | \$0 |
| 14.25 Mortgage Loans on Real Estate | \$0 | \$0 |
| 14.26 All Other | \$435,518,247 | \$467,647,624 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$435,518,247 | \$467,647,624 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$0 | \$0 |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No
If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- | | | |
|--|----------|---|
| 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 0 |
| 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 0 |
| 16.3 Total payable for securities lending reported on the liability page | \$ | 0 |

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No []
- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
SunTrust Bank	1445 New York Ave, Washington DC 20005
Bank of New York Mellon	1 Wall Street, New York, NY 10286

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No []
- 17.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
15958	Vanguard	P.O. Box 2900 Valley Forge, PA 19482
104596	Dodge & Cox	55 California St., San Francisco, CA 94104
105496	T. Rowe Price	100 E. Pratt St., Baltimore MD 21202

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [] No []
- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent89.9 %
1.2 A&H cost containment percent1.8 %
1.3 A&H expense percent excluding cost containment expenses13.8 %

2.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

2.2 If yes, please provide the amount of custodial funds held as of the reporting date\$.....0

2.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

2.4 If yes, please provide the balance of the funds administered as of the reporting date\$.....0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
NONE								

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

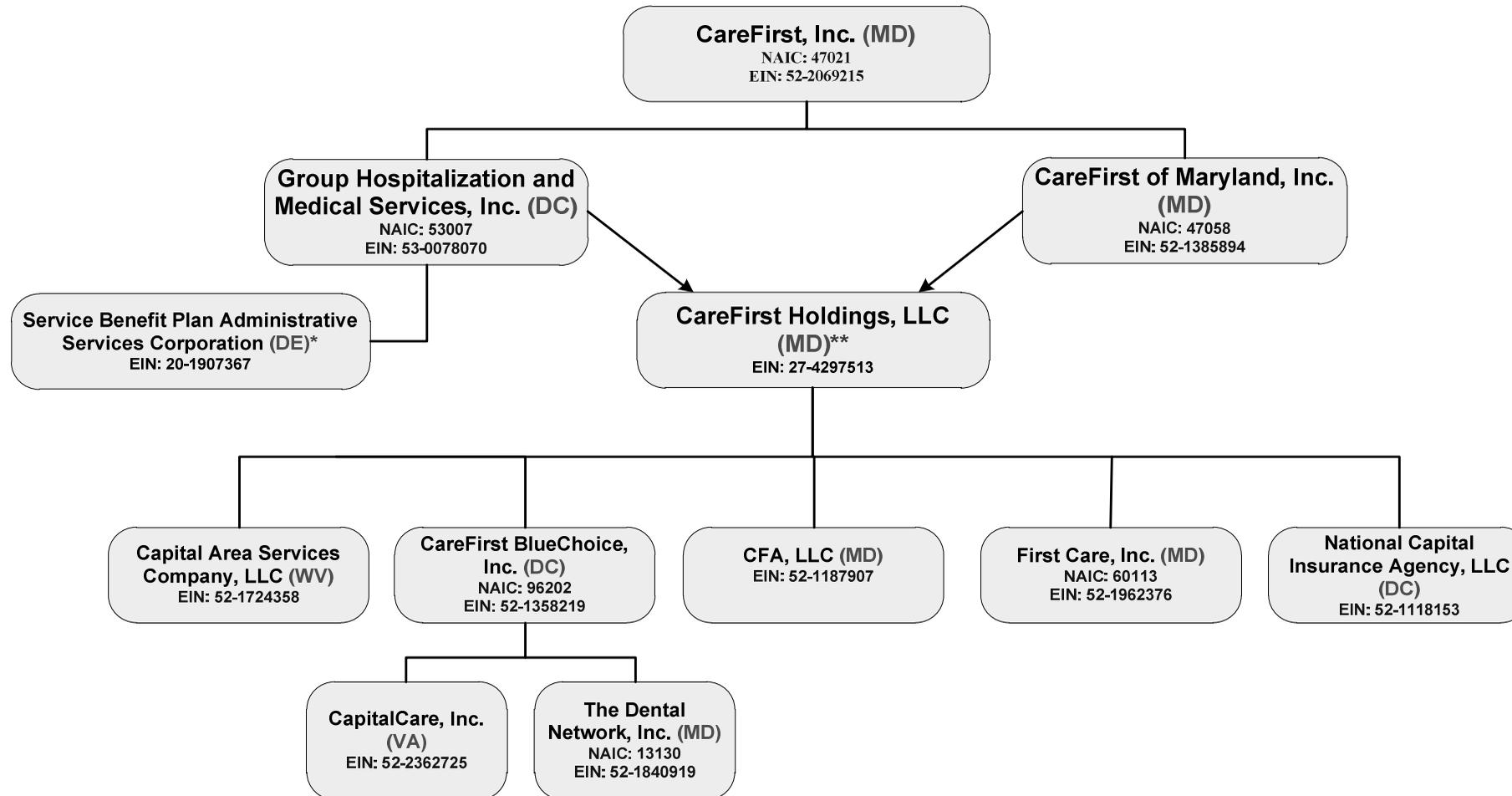
1	Direct Business Only									
	2	3	4	5	6	7	8	9		
States, etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL	N	0	0	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	0	0	
9. District of Columbia	DC	L	395,354,418	0	298,066,209	0	0	693,420,627	0	
10. Florida	FL	N	0	0	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	0	0	
14. Illinois	IL	N	0	0	0	0	0	0	0	
15. Indiana	IN	N	0	0	0	0	0	0	0	
16. Iowa	IA	N	0	0	0	0	0	0	0	
17. Kansas	KS	N	0	0	0	0	0	0	0	
18. Kentucky	KY	N	0	0	0	0	0	0	0	
19. Louisiana	LA	N	0	0	0	0	0	0	0	
20. Maine	ME	N	0	0	0	0	0	0	0	
21. Maryland	MD	L	378,458,443	0	641,305,381	0	0	1,019,763,824	0	
22. Massachusetts	MA	N	0	0	0	0	0	0	0	
23. Michigan	MI	N	0	0	0	0	0	0	0	
24. Minnesota	MN	N	0	0	0	0	0	0	0	
25. Mississippi	MS	N	0	0	0	0	0	0	0	
26. Missouri	MO	N	0	0	0	0	0	0	0	
27. Montana	MT	N	0	0	0	0	0	0	0	
28. Nebraska	NE	N	0	0	0	0	0	0	0	
29. Nevada	NV	N	0	0	0	0	0	0	0	
30. New Hampshire	NH	N	0	0	0	0	0	0	0	
31. New Jersey	NJ	N	0	0	0	0	0	0	0	
32. New Mexico	NM	N	0	0	0	0	0	0	0	
33. New York	NY	N	0	0	0	0	0	0	0	
34. North Carolina	NC	N	0	0	0	0	0	0	0	
35. North Dakota	ND	N	0	0	0	0	0	0	0	
36. Ohio	OH	N	0	0	0	0	0	0	0	
37. Oklahoma	OK	N	0	0	0	0	0	0	0	
38. Oregon	OR	N	0	0	0	0	0	0	0	
39. Pennsylvania	PA	N	0	0	0	0	0	0	0	
40. Rhode Island	RI	N	0	0	0	0	0	0	0	
41. South Carolina	SC	N	0	0	0	0	0	0	0	
42. South Dakota	SD	N	0	0	0	0	0	0	0	
43. Tennessee	TN	N	0	0	0	0	0	0	0	
44. Texas	TX	N	0	0	0	0	0	0	0	
45. Utah	UT	N	0	0	0	0	0	0	0	
46. Vermont	VT	N	0	0	0	0	0	0	0	
47. Virginia	VA	L	365,447,212	0	452,913,345	0	0	818,360,557	0	
48. Washington	WA	N	0	0	0	0	0	0	0	
49. West Virginia	WV	N	0	0	0	0	0	0	0	
50. Wisconsin	WI	N	0	0	0	0	0	0	0	
51. Wyoming	WY	N	0	0	0	0	0	0	0	
52. American Samoa	AS	N	0	0	0	0	0	0	0	
53. Guam	GU	N	0	0	0	0	0	0	0	
54. Puerto Rico	PR	N	0	0	0	0	0	0	0	
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	
57. Canada	CAN	N	0	0	0	0	0	0	0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	
59. Subtotal	XXX	3	1,139,260,073	0	1,392,284,935	0	0	2,531,545,008	0	
60. Reporting Entity Contributions for Employee Benefit Plans	XXX		0	0	0	0	0	0	0	
61. Totals (Direct Business)	(a)	3	1,139,260,073	0	1,392,284,935	0	0	2,531,545,008	0	
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0	
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		0	0	0	0	0	0	0	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

Enrollment and billing systems capture and report premiums by group situs except for Federal Employees Health Benefits Program (FEHBP). FEHBP premiums from members residing in the United States are reported based on the members' residence whereas premiums from overseas members are reported in D.C.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



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*Service Benefit Plan Administrative Services Corporation is owned 90% by Group Hospitalization and Medical Services, Inc. and 10% by the Blue Cross and Blue Shield Association.

**CareFirst Holdings, LLC is owned 50.001% by CareFirst of Maryland, Inc. and 49.999% by Group Hospitalization and Medical Services, Inc.

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE Y
PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
.0380	Carefirst Inc Group	47021	52-2069215				CareFirst, Inc.	MD	IA			0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	53007	53-0078070				Group Hospitalization and Medical Services, Inc.	DC	RE	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	47058	52-1385894				CareFirst of Maryland, Inc.	MD	IA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		00000	20-1907367				Service Benefit Plan Administrative Services Corporation	DE	DS	Group Hospitalization and Medical Services, Inc.	Ownership	90.000	CareFirst, Inc.	
		00000	27-4297513				CareFirst Holdings, LLC	MD	NIA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		00000	52-1724358				Capital Area Services Company, LLC	WV	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	96202	52-1358219				CareFirst BlueChoice, Inc.	DC	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-1187907				CFA, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	60113	52-1962376				First Care, Inc.	MD	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-1118153				National Capital Insurance Agency, LLC	DC	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-2362725				CapitalCare, Inc.	VA	NIA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	13130	52-1840919				The Dental Network, Inc.	MD	IA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	

Asterisk	Explanation
N/A	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	YES

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Prepaid Expenses - Non-Admitted	49,384,744	49,384,744	0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	49,384,744	49,384,744	0	0

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	435,684,914	401,622,035
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	32,129,377	34,062,879
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	467,814,291	435,684,914
12. Deduct total nonadmitted amounts	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12)	467,647,624	435,518,247

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	633,296,475	729,221,778
2. Cost of bonds and stocks acquired	610,663,241	769,358,187
3. Accrual of discount	164,697	256,679
4. Unrealized valuation increase (decrease)	(1,894,460)	(6,111,007)
5. Total gain (loss) on disposals	8,020,988	24,689,893
6. Deduct consideration for bonds and stocks disposed of	579,388,338	877,373,358
7. Deduct amortization of premium	3,140,000	6,745,697
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	667,722,603	633,296,475
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	667,722,603	633,296,475

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	534,126,559	181,325,093	280,247,805	2,090,863	562,116,568	534,126,559	437,294,710	521,500,109
2. NAIC 2 (a)	112,116,775	45,066,975	19,590,894	(3,673,788)	106,313,460	112,116,775	133,919,068	100,687,127
3. NAIC 3 (a)	1,549,909	0	1,026,318	648,390	320,958	1,549,909	1,171,981	100,097
4. NAIC 4 (a)	1,303,479	0	0	(105,705)	479,884	1,303,479	1,197,774	483,323
5. NAIC 5 (a)	0	880,313	0	(12,188)	829,975	0	868,125	881,903
6. NAIC 6 (a)	18	799,969	0	(202)	18	18	799,785	18
7. Total Bonds	649,096,740	228,072,350	300,865,017	(1,052,630)	670,060,863	649,096,740	575,251,443	623,652,577
PREFERRED STOCK								
8. NAIC 1	0	0	0	0	0	0	0	0
9. NAIC 2	0	0	0	0	0	0	0	0
10. NAIC 3	0	0	0	0	0	0	0	0
11. NAIC 4	0	0	0	0	0	0	0	0
12. NAIC 5	0	0	0	0	0	0	0	0
13. NAIC 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	649,096,740	228,072,350	300,865,017	(1,052,630)	670,060,863	649,096,740	575,251,443	623,652,577

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$0 ; NAIC 2 \$0 ; NAIC 3 \$0 ;
NAIC 4 \$0 ; NAIC 5 \$0 ; NAIC 6 \$0

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SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
9199999 Totals	44,807,330	xxx	44,807,330	36,873	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	112,175,883	13,689,876
2. Cost of short-term investments acquired	175,639,957	298,776,383
3. Accrual of discount	0	492
4. Unrealized valuation increase (decrease)	(5,457)	320
5. Total gain (loss) on disposals	28,131	9,628
6. Deduct consideration received on disposals	242,961,651	200,220,720
7. Deduct amortization of premium	69,533	80,096
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	44,807,330	112,175,883
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	44,807,330	112,175,883

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards
N O N E

Schedule DB - Part B - Verification - Futures Contracts
N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open
N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open
N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives
N O N E

Schedule E - Verification - Cash Equivalents
N O N E

Schedule A - Part 2 - Real Estate Acquired and Additions Made
N O N E

Schedule A - Part 3 - Real Estate Disposed
N O N E

Schedule B - Part 2 - Mortgage Loans Acquired
N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid
N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired
N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid
N O N E

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
36179N-DQ-8	GNMA PASS-THRU M SINGLE FAMILY		07/01/2014	G.X. CLARKE & COMPANY		800,044	794,828	1,325	1
38378K-K4-0	GNMA REMIC TRUST 2013-126		08/14/2014	CFG CAPITAL MARKETS LLC		3,720,156	4,000,000	4,900	1
38378K-SZ-3	GNMA REMIC TRUST 2013-94		08/14/2014	CFG CAPITAL MARKETS LLC		2,899,787	2,948,155	3,243	1
38378N-UB-7	GNMA REMIC TRUST 2014-14		08/14/2014	CFG CAPITAL MARKETS LLC		3,023,659	2,968,350	3,785	1
912810-PX-0	UNITED STATES TREAS BDS		07/28/2014	GOLDMAN, SACHS & CO.		1,585,507	1,310,000	10,191	1
912810-QT-8	UNITED STATES TREAS BDS		08/29/2014	BANC AMERICA SECURITIES L		620,651	610,000	5,698	1
912810-RE-0	UNITED STATES TREAS BDS		07/09/2014	BNP PARIBAS SECURITIES BO		15,714,258	15,000,000	223,809	1
912810-RG-5	UNITED STATES TREAS BDS		08/13/2014	CFG CAPITAL MARKETS LLC		24,441,562	24,000,000	204,701	1
912828-NV-8	UNITED STATES TREAS NTS		07/28/2014	DEUTSCHE BANK SECURITIES		556,617	550,000	2,821	1
912828-TG-5	UNITED STATES TREAS NTS		07/28/2014	BNP Paribas		5,413,633	5,500,000	0	1
912828-IJ-5	UNITED STATES TREAS NTS		07/09/2014	BNP PARIBAS SECURITIES BO		2,486,621	2,500,000	10,190	1
912828-IW-6	UNITED STATES TREAS NTS		08/13/2014	CFG CAPITAL MARKETS LLC		5,015,039	5,000,000	3,312	1
0599999. Subtotal - Bonds - U.S. Governments						66,277,534	65,181,334	473,975	XXX
68323A-CT-9	PROVINCE OF ONTARIO	I.	08/14/2014	MERRILL LYNCH PROFESSNL C		1,525,140	1,500,000	12,400	1FE
71654Q-BE-1	PETROLEOS MEXICANOS	R.	07/03/2014	SCOTIA CAPITAL MKTS (USA)		246,480	240,000	403	2FE
1099999. Subtotal - Bonds - All Other Governments						1,771,620	1,740,000	12,803	XXX
167725-AC-4	CHICAGO ILL TRAN AUTH SALES &		08/04/2014	VARIOUS		2,327,018	1,875,000	23,255	1FE
167725-AF-7	CHICAGO ILL TRAN AUTH SALES &		07/24/2014	CITIGROUP GLOBAL MARKET I		562,824	5,000,000	5,002	1FE
3128MD-4E-0	FHLMC PC GOLD COMB 15		07/01/2014	G.X. CLARKE & COMPANY		386,023	380,494	423	1
3128MJ-UR-9	FHLMC PC GOLD COMB 30		07/17/2014	U.S. BANCORP PIPER JAFFRA		5,121,592	4,986,799	10,181	1
3128MJ-US-7	FHLMC PC GOLD COMB 30		07/17/2014	U.S. BANCORP PIPER JAFFRA		2,640,426	2,492,438	5,816	1
3137BB-BD-1	FHLMC REMIC SERIES K-038		08/05/2014	BANC AMERICA SECURITIES L		1,972,660	1,900,000	1,252	1
3138L6-KJ-6	FNMA PASS-THRU BLLN MULTI 7+		07/25/2014	DUNCAN WILLIAMS INC		1,979,266	1,900,000	5,158	1
3138A5-4N-9	FNMA PASS-THRU LING 30 YEAR		07/31/2014	DEUTSCHE BANK SECURITIES		410,618	402,135	430	1
3138E2-LR-4	FNMA PASS-THRU LING 30 YEAR		08/29/2014	CHASE SECURITIES, INC.		431,429	406,829	452	1
3138EH-BD-3	FNMA PASS-THRU LING 30 YEAR		07/01/2014	JPMORGAN CHASE BANK/G.X.C		360,776	340,605	492	1
3138EN-AA-1	FNMA PASS-THRU LING 30 YEAR		07/17/2014	U.S. BANCORP PIPER JAFFRA		4,891,257	4,936,027	8,638	1
3138MA-KX-5	FNMA PASS-THRU LING 30 YEAR		07/31/2014	GREENWICH CAPITAL MKTS, I		135,074	132,425	142	1
3138W9-SB-7	FNMA PASS-THRU LING 30 YEAR		07/17/2014	U.S. BANCORP PIPER JAFFRA		4,615,568	4,852,068	7,076	1
3138X0-2S-6	FNMA PASS-THRU LING 30 YEAR		07/25/2014	CHASE SECURITIES, INC.		1,227,206	1,198,919	1,282	1
31410G-AQ-6	FNMA PASS-THRU LING 30 YEAR		07/01/2014	G.X. CLARKE & COMPANY		217,236	195,433	353	1
31412R-FJ-1	FNMA PASS-THRU LING 30 YEAR		07/01/2014	G.X. CLARKE & COMPANY		243,126	224,468	365	1
31416X-JR-2	FNMA PASS-THRU LING 30 YEAR		07/31/2014	CHASE SECURITIES, INC.		163,116	159,673	171	1
31417G-6A-9	FNMA PASS-THRU LING 30 YEAR		07/01/2014	G.X. CLARKE & COMPANY		304,331	296,186	374	1
31418A-DH-8	FNMA PASS-THRU LING 30 YEAR		07/31/2014	GREENWICH CAPITAL MKTS, I		138,493	135,777	145	1
31418M-SR-4	FNMA PASS-THRU LING 30 YEAR		08/14/2014	G.X. CLARKE & COMPANY		207,581	186,590	285	1
3138L5-2Q-2	FNMA PASS-THRU BLLN MULTI		07/17/2014	U.S. BANCORP PIPER JAFFRA		2,663,650	2,500,000	5,469	1
3138WQ-AY-8	FNMA PASS-THRU LING 30 YEAR		07/17/2014	U.S. BANCORP PIPER JAFFRA		4,676,726	4,718,771	8,258	1
3199999. Subtotal - Bonds - U.S. Special Revenues						35,675,996	34,670,636	85,019	XXX
023772-AB-2	AMER AIRLINES PT TR 2013-1		07/30/2014	EXCHANGE		270,386	270,386	0	1FE
02377U-AB-0	AMER AIRLINES PT TR 2013-2		07/30/2014	EXCHANGE		188,794	188,794	0	1FE
03524B-AE-6	ANHEUSER-BUSCH INBEV S.A.		07/02/2014	BANC AMERICA SECURITIES L		357,557	350,000	5,792	1FE
00184A-AC-9	AOL TIME WARNER INC		07/15/2014	SCOTIA CAPITAL MKTS (USA)		1,187,690	875,000	17,236	2FE
037735-CT-2	APPALACHIAN PWIR CO		07/01/2014	WACHOVIA SECURITIES CAPIT		475,361	475,000	3,425	2FE
00206R-BD-3	AT&T INC		07/07/2014	SUMRIDGE PARTNERS LLC		297,939	300,000	3,625	1FE
04650N-AB-0	AT&T INC GLBL		07/15/2014	WACHOVIA SECURITIES CAPIT		2,401,806	2,200,000	44,791	1FE
06050T-JZ-6	BANK AMER CHRLT NC MTN		07/15/2014	BARCLAYS CAPITAL INC		1,938,304	1,600,000	24,800	2FE
06051G-FH-7	BANK AMER CORP		08/21/2014	BANC AMERICA SECURITIES L		274,799	275,000	0	2FE
101137-AL-1	BOSTON SCIENTIFIC CORP		07/24/2014	CANTOR FITZGERALD & CO		1,949,724	1,400,000	4,015	2FE
172967-HB-0	CITIGROUP INC		07/07/2014	VARIOUS		750,805	675,000	11,859	2FE
20030N-AM-3	COMCAST CORP NEW		07/15/2014	MERRILL LYNCH PROFESSNL C		965,595	750,000	16,528	1FE
20030N-AV-3	COMCAST CORP NEW		07/01/2014	GOLDMAN, SACHS & CO.		639,749	475,000	13,022	1FE
224044-BR-7	COX COMMUNICATIONS INC NEW 144A		07/15/2014	MORGAN STANLEY & CO. INC		2,939,250	2,500,000	21,052	2FE
224044-CA-3	COX COMMUNICATIONS INC NEW 144A		07/15/2014	WACHOVIA SECURITIES CAPIT		943,940	1,000,000	1,475	2FE
128408-GK-3	CSX CORP		07/15/2014	DEUTSCHE BANK SECURITIES		1,245,120	1,000,000	13,154	2FE
260543-BJ-1	DOW CHEM CO		07/16/2014	CORTVIEW CAPITAL LLC		335,725	250,000	4,097	2FE
260543-BY-8	DOW CHEM CO		07/16/2014	BNP PARIBAS SECURITIES BO		658,544	400,000	6,893	2FE
260543-CL-5	DOW CHEM CO		09/09/2014	DEUTSCHE BANK SECURITIES		147,507	150,000	0	2FE
29250R-AT-3	ENBRIDGE ENERGY PARTNERS L P		07/15/2014	JEFFERIES & CO BONDS DIR		382,186	350,000	6,577	2FE
29379V-AZ-6	ENTERPRISE PRODS OPER LLC		07/07/2014	DEUTSCHE BANK SECURITIES		249,208	250,000	2,675	2FE
26884A-AD-5	ERP OPER LTD PARTNERSHIP		07/16/2014	WACHOVIA SECURITIES CAPIT		464,524	350,000	11,481	2FE
30161M-AG-8	EXELON GENERATION CO LLC		07/09/2014	MORGAN STANLEY & CO. INC		293,803	250,000	4,470	2FE

E04

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
337358-BH-7	FIRST UN CORP		.08/12/2014	RAYMOND JAMES & ASSOCIATE		790,800	600,000	1,767	1FE
36962G-3A-0	GENERAL ELEC CAP CORP MTN BE		.07/30/2014	DEUTSCHE BANK SECURITIES		840,544	675,000	20,410	1FE
36962G-3P-7	GENERAL ELEC CAP CORP MTN BE		.07/01/2014	RBC CAPITAL MARKETS CORP		573,078	475,000	13,411	1FE
369604-BF-9	GENERAL ELECTRIC CO		.07/01/2014	WACHOVIA SECURITIES CAPIT		441,720	450,000	4,538	1FE
372546-AT-8	GEORGE WASHINGTON UNIVERSITY		.07/29/2014	BARCLAYS CAPITAL INC		225,000	225,000	.0	1FE
428236-BQ-5	HEWLETT PACKARD CO		.07/24/2014	LINSCO/PRIVATE LEDGER COR		1,078,750	1,000,000	16,285	2FE
428236-BR-3	HEWLETT PACKARD CO		.07/15/2014	SALOMON SMITH BARNEY INC/		1,408,432	1,225,000	25,113	2FE
444859-BE-1	HUMANA INC		.09/16/2014	CHASE SECURITIES, INC		308,506	310,000	.0	2FE
472319-AC-6	JEFFERIES GROUP INC NEW		.07/02/2014	BANC AMERICA SECURITIES L		318,150	300,000	9,010	2FE
46625H-JC-5	JPMORGAN CHASE & CO		.07/15/2014	BNY CAPITAL MARKETS, INC		677,463	625,000	11,555	1FE
46625H-JJ-0	JPMORGAN CHASE & CO		.07/15/2014	MORGAN STANLEY & CO. INC		270,100	275,000	1,985	1FE
485188-AN-6	KANSAS CITY SOUTH RY CO		.07/15/2014	DEUTSCHE BANK SECURITIES		191,170	200,000	1,559	2FE
49427R-AK-8	KILROY RLTY L P		.07/30/2014	WACHOVIA SECURITIES CAPIT		296,646	300,000	.0	2FE
500255-AR-5	KOHL'S CORP		.08/14/2014	U.S. BANCORP PIPER JAFFRA		1,583,250	1,500,000	18,000	2FE
50075N-AZ-7	KRAFT FOODS INC		.07/15/2014	SALOMON SMITH BARNEY INC/		1,471,069	1,150,000	33,015	2FE
501810-AN-8	LCOR ALEXANDRIA LLC 144A		.07/23/2014	Raymond James & Assoc		1,471,265	1,168,412	13,437	1FE
53079E-BF-0	LIBERTY MUT GROUP INC 144A		.07/21/2014	SALOMON SMITH BARNEY INC/		299,760	300,000	.0	2FE
539830-BB-4	LOCKHEED MARTIN CORP		.07/23/2014	LINSCO/PRIVATE LEDGER COR		1,963,800	2,000,000	9,723	1FE
575718-AE-1	MASS INST TECH MTN BE		.09/22/2014	CHASE SECURITIES, INC		150,000	150,000	.0	1FE
577778-CE-1	MAY DEPT STORES CO		.07/15/2014	CREDIT SUISSE FIRST BOSTO		506,844	400,000	223	2FE
59156R-BG-2	METLIFE INC		.07/01/2014	WACHOVIA SECURITIES CAPIT		512,535	475,000	3,473	1FE
620076-BE-8	MOTOROLA SOLUTIONS INC		.08/14/2014	LINSCO/PRIVATE LEDGER COR		2,511,250	2,500,000	.0	2FE
63946B-AJ-9	NBCUNIVERSAL MEDIA LLC		.07/01/2014	DEUTSCHE BANK SECURITIES		475,223	475,000	10,099	1FE
641423-BP-2	NEVADA POWER CO		.07/01/2014	MORGAN STANLEY & CO. INC		639,022	475,000	8,423	1FE
652482-BN-9	NEWS AMER INC		.07/15/2014	MORGAN STANLEY & CO. INC		2,757,700	2,300,000	53,830	2FE
652482-BX-7	NEWS AMER INC		.07/07/2014	SCOTIA CAPITAL MKTS (USA)		260,516	225,000	5,120	2FE
718546-AC-8	PHILLIPS 66		.08/14/2014	RAYMOND JAMES & ASSOCIATE		1,612,065	1,500,000	24,725	2FE
720186-AH-8	PIEDMONT NAT GAS INC		.09/15/2014	RBC CAPITAL MARKETS CORP		239,582	240,000	.0	1FE
74456Q-AQ-9	PUBLIC SVC ELEC GAS CO MTN BE		.07/01/2014	MERRILL LYNCH PROFESSNL C		586,464	475,000	2,708	1FE
84265V-AG-0	SOUTHERN COPPER CORP		.07/01/2014	MORGAN STANLEY & CO. INC		345,761	375,000	3,227	2FE
88732J-AJ-7	TIME WARNER CABLE INC		.07/15/2014	BANC AMERICA SECURITIES L		498,112	400,000	5,604	2FE
89417E-AD-1	TRAVELERS COMPANIES INC		.07/01/2014	WACHOVIA SECURITIES CAPIT		612,090	475,000	1,814	1FE
902494-AZ-6	TYSON FOODS INC		.09/24/2014	LINSCO/PRIVATE LEDGER COR		1,552,350	1,500,000	10,359	2FE
907818-DJ-4	UNION PAC CORP		.07/01/2014	CORTVIEW CAPITAL LLC		486,738	450,000	6,650	1FE
913017-BT-5	UNITED TECHNOLOGIES CORP		.07/01/2014	WACHOVIA SECURITIES CAPIT		470,984	450,000	2,025	1FE
91324P-BU-5	UNITEDHEALTH GROUP INC		.07/01/2014	CORTVIEW CAPITAL LLC		495,245	475,000	3,173	1FE
92343V-BT-0	VERIZON COMMUNICATIONS INC		.07/15/2014	CHASE SECURITIES, INC		4,509,180	3,600,000	80,565	2FE
92343V-CL-6	VERIZON COMMUNICATIONS INC 144A		.08/21/2014	EXCHANGE		2,154,754	2,143,266	.0	2FE
927904-FA-7	VIRGINIA ELEC & PWR CO		.07/01/2014	CORTVIEW CAPITAL LLC		602,818	475,000	13,617	1FE
929903-AM-4	WACHOVIA CORP NEW		.07/02/2014	WACHOVIA SECURITIES CAPIT		615,984	550,000	13,192	1FE
931142-CB-7	WAL-MART STORES INC		.07/15/2014	VARIOUS		2,517,815	2,175,000	42,693	1FE
94973V-AS-6	WELLPOINT INC		.08/12/2014	DEUTSCHE BANK SECURITIES		491,738	450,000	.0	2FE
984121-CB-7	XEROX CORPORATION		.07/15/2014	SALOMON SMITH BARNEY INC/		967,000	800,000	4,950	2FE
98978V-AB-9	ZOETIS INC		.07/16/2014	CHASE SECURITIES, INC		864,710	875,000	13,429	2FE
98978V-AH-6	ZOETIS INC		.07/16/2014	CHASE SECURITIES, INC		1,014,540	1,000,000	22,194	2FE
13645R-AF-1	CANADIAN PAC RY CO NEW	I	.07/25/2014	CANTOR FITZGERALD & CO		500,240	400,000	4,958	2FE
380956-AE-2	GOLDCORP INC NEW	I	.07/01/2014	MORGAN STANLEY & CO. INC		308,745	300,000	1,272	2FE
02364W-AJ-4	AMERICA MOVIL SAB DE CV	R	.07/01/2014	JP MORGAN SECURITIES INC		573,563	475,000	10,598	1FE
05533U-AD-0	BBVA BANCOMER S A INST DEBANCO 144A	R	.07/07/2014	VARIOUS		434,563	425,000	4,594	1FE
055451-AV-0	BHP BILLITON FIN USA LTD	R	.07/01/2014	RBC CAPITAL MARKETS CORP		525,098	475,000	6,399	1FE
20825C-AQ-7	CONOCOPHILLIPS	R	.07/01/2014	US BANCORP INVESTMENTS IN		633,427	475,000	13,379	1FE
279158-AJ-8	ECOPETROL S A	R	.07/03/2014	UBS SECURITIES INC		204,500	200,000	1,306	2FE
28268B-AC-5	ENEL FIN INTL S A 144A	R	.07/23/2014	JEFFERIES & CO BONDS DIR		375,000	300,000	7,537	2FE
404280-AG-4	HSBC HLDGS PLC	R	.07/15/2014	VARIOUS		1,443,290	1,175,000	15,180	1FE
500472-AC-9	KONINKLIJKE PHILIPS N V	R	.07/15/2014	VARIOUS		1,876,732	1,400,000	33,955	1FE
71647N-AF-6	PETROBRAS GLBL FIN B V	R	.07/03/2014	CITIBANK CP/IPA		242,888	255,000	1,518	2FE
71656L-AY-7	PETROLEOS MEXICANOS MTN 144A	R	.07/15/2014	BARCLAYS CAPITAL		772,031	675,000	20,918	2FE
78010X-AK-7	ROYAL BK OF SCOTLAND PLC	R	.07/21/2014	GREENWICH CAPITAL MKTS, I		353,763	300,000	664	1FE
08N04F-TQ-6	TC ZIRAAT BANKASI AS	R	.07/03/2014	EUROCLEAR BANK S.A. BRUSS		248,875	250,000	.148	2FE
893830-BB-4	TRANSOCEAN INC	R	.07/01/2014	SEAPORT GROUP SECURITIES		346,176	300,000	1,169	2FE
902133-AG-2	TYCO ELECTRONICS GROUP S A	R	.07/29/2014	CANTOR FITZGERALD & CO		776,187	575,000	13,656	1FE
91911T-AH-6	VALE OVERSEAS LTD	R	.07/09/2014	BARCLAYS BANK PLC		583,300	525,000	4,913	2FE

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Desig- nation or Market Indicator (a)
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)									
06423K-AA-9	BANK ONE CAP 111		.09/23/2014	BBVA SECURITIES INC		72,217,217	63,025,858	871,032	XXX
369622-SN-6	GENERAL ELEC CAP CORP		.08/12/2014	Raymond James & Assoc		799,969	575,000	3,494	6AM
878091-BD-8	TEACHERS INS & ANNUITY ASSN 144A		.09/15/2014	CHASE SECURITIES, INC		880,313	750,000	8,906	5AM
						309,712	310,000	0	1FE
4899999. Subtotal - Bonds - Hybrid Securities						1,989,994	1,635,000	12,400	XXX
8399997. Total - Bonds - Part 3						177,932,361	166,252,827	1,455,229	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						177,932,361	166,252,827	1,455,229	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
921943-88-2	VANGUARD DEVELOPED MKTS INDEX INST		.09/24/2014	VANGUARD GROUP	618,466.230	8,178,725		0	L
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		.09/22/2014	VANGUARD GROUP	45,891.724			0	L
9299999. Subtotal - Common Stocks - Mutual Funds						16,393,146	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						16,393,146	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						16,393,146	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						16,393,146	XXX	0	XXX
9999999 - Totals						194,325,507	XXX	1,455,229	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
36202F-M7-8	GNMA 11 POOL #004882 4.000%		09/20/2014	PRINCIPAL RECEIPT		10,270	10,270	11,165	11,160	.0	(890)	.0	(890)	.0	10,270	.0	.0	.0	251	12/20/2040	1
36179M-2N-9	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		8,658	8,658	8,012	8,011	.0	647	.0	647	.0	8,658	.0	.0	.0	140	02/20/2043	1
36179M-K6-6	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		11,177	11,177	11,757	11,752	.0	(575)	.0	(575)	.0	11,177	.0	.0	.0	206	08/20/2042	1
36179M-K7-4	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		5,819	5,819	6,023	.0	.0	(204)	.0	(204)	.0	5,819	.0	.0	.0	24	08/20/2042	1
36179M-NH-9	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		7,151	7,151	7,798	7,794	.0	(642)	.0	(642)	.0	7,151	.0	.0	.0	154	09/20/2042	1
36179M-VR-8	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		10,918	10,918	11,490	11,487	.0	(570)	.0	(570)	.0	10,918	.0	.0	.0	207	12/20/2042	1
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		17,669	17,669	16,491	8,432	.0	1,185	.0	1,185	.0	17,669	.0	.0	.0	235	01/20/2043	1
36179N-CX-4	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		958	958	959	959	.0	(2)	.0	(2)	.0	958	.0	.0	.0	16	05/20/2028	1
36179N-DQ-8	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		15,010	15,010	15,109	.0	.0	(99)	.0	(99)	.0	15,010	.0	.0	.0	38	05/20/2043	1
36179N-DR-6	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		22,059	22,059	22,941	11,039	.0	(881)	.0	(881)	.0	22,059	.0	.0	.0	272	05/20/2043	1
36179Q-DY-4	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		16,481	16,481	17,102	.0	.0	(622)	.0	(622)	.0	16,481	.0	.0	.0	76	05/20/2044	1
36202F-CP-9	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		7,080	7,080	7,779	7,807	.0	(727)	.0	(727)	.0	7,080	.0	.0	.0	217	11/20/2039	1
36202F-EH-5	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		23,866	23,866	26,021	.0	.0	(2,155)	.0	(2,155)	.0	23,866	.0	.0	.0	394	02/20/2040	1
36202F-GE-0	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		4,618	4,618	5,074	5,092	.0	(474)	.0	(474)	.0	4,618	.0	.0	.0	141	05/20/2040	1
36202F-GY-6	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		6,818	6,818	7,491	7,519	.0	(701)	.0	(701)	.0	6,818	.0	.0	.0	209	06/20/2040	1
36202F-KM-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		3,988	3,988	4,251	.0	.0	(264)	.0	(264)	.0	3,988	.0	.0	.0	18	09/20/2040	1
36202F-LQ-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		7,074	7,074	7,773	7,800	.0	(726)	.0	(726)	.0	7,074	.0	.0	.0	218	10/20/2040	1
36202F-MA-1	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		34,200	34,200	37,154	37,149	.0	(2,948)	.0	(2,948)	.0	34,200	.0	.0	.0	841	11/20/2040	1
36202F-TK-2	GNMA PASS-THRU M SINGLE FAMILY		09/20/2014	PRINCIPAL RECEIPT		11,509	11,509	12,275	.0	.0	(766)	.0	(766)	.0	11,509	.0	.0	.0	52	05/20/2041	1
36241L-DM-5	GNMA PASS-THRU X PLATINUM 30YR		09/15/2014	PRINCIPAL RECEIPT		49,293	49,293	53,683	53,661	.0	(4,368)	.0	(4,368)	.0	49,293	.0	.0	.0	1,795	11/15/2039	1
36241L-UE-4	GNMA PASS-THRU X PLATINUM 30YR		09/15/2014	PRINCIPAL RECEIPT		6,760	6,760	7,327	.0	.0	(567)	.0	(567)	.0	6,760	.0	.0	.0	126	07/15/2040	1
36176X-KP-3	GNMA PASS-THRU X SINGLE FAMILY		09/15/2014	PRINCIPAL RECEIPT		27,163	27,163	28,661	28,644	.0	(1,481)	.0	(1,481)	.0	27,163	.0	.0	.0	644	04/15/2042	1
362000-2Y-3	GNMA PASS-THRU X SINGLE FAMILY		09/15/2014	PRINCIPAL RECEIPT		66,544	66,544	73,136	73,146	.0	(6,602)	.0	(6,602)	.0	66,544	.0	.0	.0	2,013	07/15/2040	1
362000-ZB-7	GNMA PASS-THRU X SINGLE FAMILY		09/15/2014	PRINCIPAL RECEIPT		86,207	86,207	94,747	94,760	.0	(8,553)	.0	(8,553)	.0	86,207	.0	.0	.0	2,485	06/15/2040	1
36225A-4V-9	GNMA POOL #780836		09/15/2014	PRINCIPAL RECEIPT		3,025	3,025	3,214	3,118	.0	(92)	.0	(92)	.0	3,025	.0	.0	.0	163	04/15/2020	1
38378B-PB-6	GNMA REMIC TRUST 2012-123		09/16/2014	PRINCIPAL RECEIPT		10,558	10,558	10,584	10,583	.0	(25)	.0	(25)	.0	10,558	.0	.0	.0	70	07/16/2046	1
38378K-ZD-4	GNMA REMIC TRUST 2013-101		09/16/2014	PRINCIPAL RECEIPT		14,562	14,562	14,458	.0	.0	104	.0	104	.0	14,562	.0	.0	.0	46	12/16/2053	1
38378K-J6-7	GNMA REMIC TRUST 2013-126		09/16/2014	PRINCIPAL RECEIPT		9,266	9,266	9,573	.0	.0	(307)	.0	(307)	.0	9,266	.0	.0	.0	37	10/16/2047	1
38378K-4S-5	GNMA REMIC TRUST 2013-141		09/16/2014	PRINCIPAL RECEIPT		9,601	9,601	10,026	.0	.0	(425)	.0	(425)	.0	9,601	.0	.0	.0	43	02/16/2052	1
38378K-SZ-3	GNMA REMIC TRUST 2013-94		09/16/2014	PRINCIPAL RECEIPT		3,867	3,867	3,804	.0	.0	63	.0	63	.0	3,867	.0	.0	.0	7	03/16/2054	1
38378N-UB-7	GNMA REMIC TRUST 2014-14		09/16/2014	PRINCIPAL RECEIPT		4,584	4,584	4,669	.0	.0	(85)	.0	(85)	.0	4,584	.0	.0	.0	10	01/16/2042	1
83162C-LT-8	SMALL BUS ADMIN GTD DEV PTC		09/01/2014	PRINCIPAL RECEIPT		24,816	24,816	26,491	24,816	.0	.0	.0	.0	.0	24,816	.0	.0	.0	759	09/01/2021	1
83162C-KM-4	SMALL BUSINESS ADMIN GTD 00-20A		07/01/2014	PRINCIPAL RECEIPT		7,470	7,470	7,470	7,470	.0	.0	.0	.0	.0	7,470	.0	.0	.0	620	01/01/2020	1
912810-PX-0	UNITED STATES TREAS BDS		07/30/2014	VARIOUS		1,041,521	860,000	1,031,778	.0	.0	(94)	.0	(94)	.0	1,031,684	.0	9,837	9,837	6,421	05/15/2038	1
912810-OT-8	UNITED STATES TREAS BDS		09/22/2014	VARIOUS		146,648	150,000	146,598	146,725	.0	53	.0	53	.0	146,778	.0	(130)	(130)	4,012	11/15/2041	1
912810-OZ-4	UNITED STATES TREAS BDS		09/16/2014	VARIOUS		640,345	660,000	578,650	228,618	.0	937	.0	937	.0	579,591	.0	60,754	60,754	20,520	02/15/2043	1
912810-RE-0	UNITED STATES TREAS BDS		07/15/2014	NOMURA SECURITIES INTL CFG CAPITAL MARKETS LLC		15,731,836	15,000,000	15,714,258	.0	.0	(236)	.0	(236)	.0	15,714,022	.0	17,814	17,814	229,817	02/15/2044	1
912810-RG-5	UNITED STATES TREAS BDS		08/14/2014	VARIOUS		24,682,500	24,000,000	24,441,562	.0	.0	(24)	.0	(24)	.0	24,441,539	.0	240,961	240,961	204,701	05/15/2044	1
912828-C2-4	UNITED STATES TREAS NTS		07/25/2014	VARIOUS GREENWICH CAPITAL MKTS,		1,865,625	1,875,000	1,856,720	.0	.0	1,121	.0	1,121	.0	1,857,841	.0	7,784	7,784	11,617	02/28/2019	1
912828-C6-5	UNITED STATES TREAS NTS		07/23/2014	VARIOUS		600,563	600,000	598,547	.0	.0	65	.0	65	.0	598,612	.0	1,951	1,951	3,170	03/31/2019	1
912828-LC-2	UNITED STATES TREAS NTS		07/31/2014	VARIOUS SALOMON SMITH BARNEY INC/		661,366	660,000	683,306	669,181	.0	(7,871)	.0	(7,871)	.0	661,310	.0	57	57	15,937	07/31/2014	1
912828-NV-8	UNITED STATES TREAS NTS		07/31/2014	VARIOUS		556,488	550,000	556,617	.0	.0	(49)	.0	(49)	.0	556,568	.0	(80)	(80)	2,877	08/31/2015	1
912828-PE-4	UNITED STATES TREAS NTS		07/09/2014	GOLDMAN, SACHS & CO.		3,141,535	3,100,000	3,152,361	507,092	.0	(9,090)	.0	(9,090)	.0	3,137,509	.0	4,026	4,026	27,272	10/31/2015	1
912828-SP-6	UNITED STATES TREAS NTS		07/09/2014	GOLDMAN, SACHS & CO.		4,008,438	4,000,000	4,010,469	.0	.0	(3,331)	.0	(3,331)	.0	4,007,138	.0	1,300	1,300	11,189	04/15/2015	1
912828-TG-5	UNITED STATES TREAS NTS		08/05/2014	GOLDMAN, SACHS & CO.		789,250	800,000	787,438	.0	.0	90	.0	90	.0	787,527	.0	1,723	1,723	87	07/31/2017	1
912828-WA-4	UNITED STATES TREAS NTS		07/09/2014	GOLDMAN, SACHS & CO.		2,999,414	3,000,000	3,008,203	.0	.0	(393)	.0	(393)	.0	3,007,810	.0	(8,396)	(8,396)	4,611	10/15/2016	1
912828-WD-8	UNITED STATES TREAS NTS		07/28/2014	VARIOUS		2,659,066	2,690,000	2,661,314	.0	.0	1,666	.0	1,666	.0	2,662,980	.0	(3,914)	(3,914)	24,658	10/31/2018	1
912828-WJ-5	UNITED STATES TREAS NTS		08/12/2014	VARIOUS		1,498,984	1,500,000	1,491,973	.0	.0	31	.0	31	.0	1,492,004	.0	6,981	6,981	7,677	05/15/2024	1
912828-WL-0	UNITED STATES TREAS NTS		07/25/2014	VARIOUS		2,722,995	2,740,000	2,715,062	.0	.0	279	.0	279	.0	2,715,341	.0	7,654	7,654	3,871	05/31/2019	1
912828-B2-5	UNITED STATES TREAS NTS TIPS		07/07/2014	VARIOUS		977,924	940,000	936,597	.0	.0	128	.0	128	.0	936,725	.0	41,199	41,199	3,561	01/15/2024	1
912828-CP-3	UNITED STATES TREAS NTS TIPS		07/15/2014	VARIOUS		3,23															

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
066716-AG-6	BANQUE CENTRALE DE TUNISIE	R	07/17/2014	U.S. BANCORP PIPER JAFFRA		1,978,860	2,000,000	2,024,340	2,019,950	0	(1,888)	0	(1,888)	0	2,018,062	0	(39,202)	(39,202)	34,282	07/16/2019	1
302154-BD-0	EXPORT IMPORT BK KOREA	R	07/15/2014	BANC AMERICA SECURITIES L		346,499	325,000	324,373	324,607	0	67	0	67	0	324,673	0	21,826	21,826	13,253	01/11/2017	1FE
84633P-AB-9	SPAIN KINGDOM 144A	R	07/15/2014	MERRILL LYNCH PROFESSIONL C		1,067,500	1,000,000	996,830	997,326	0	319	0	319	0	997,645	0	69,855	69,855	55,667	03/06/2018	2FE
1099999	Subtotal - Bonds - All Other Governments					3,392,859	3,325,000	3,345,543	3,341,883	0	(1,502)	0	(1,502)	0	3,340,380	0	52,479	52,479	103,202	XXX	XXX
3133EC-CA-0	FEDERAL FARM CR BKS		07/17/2014	U.S. BANCORP PIPER JAFFRA		5,447,637	5,850,000	5,752,773	5,757,576	0	2,688	0	2,688	0	5,760,264	0	(312,627)	(312,627)	172,453	01/03/2029	1
3128LX-S7-6	FHLMC GOLD #602342		09/15/2014	PRINCIPAL RECEIPT		41,000	41,000	44,581	44,581	0	(3,549)	0	(3,549)	0	41,000	0	0	0	1,384	10/01/2036	1
3128M5-K5-8	FHLMC GOLD #603616		09/15/2014	PRINCIPAL RECEIPT		27,508	27,508	30,516	30,494	0	(2,986)	0	(2,986)	0	27,508	0	0	0	1,154	12/01/2037	1
3128M5-NQ-9	FHLMC GOLD #603699		09/15/2014	PRINCIPAL RECEIPT		24,786	24,786	27,036	27,009	0	(2,223)	0	(2,223)	0	24,786	0	0	0	984	01/01/2038	1
3128MT-GK-9	FHLMC PC GOLD 10/20 11		09/15/2014	PRINCIPAL RECEIPT		13,909	13,909	15,487	15,466	0	(1,577)	0	(1,577)	0	13,909	0	0	0	639	09/01/2037	1
3128UN-CE-0	FHLMC PC GOLD 10/20 11		09/15/2014	PRINCIPAL RECEIPT		8,221	8,221	8,340	8,337	0	(116)	0	(116)	0	8,221	0	0	0	340	09/01/2037	1
3128PR-ZK-8	FHLMC PC GOLD 15 YR		09/15/2014	PRINCIPAL RECEIPT		20,542	20,542	21,563	21,479	0	(937)	0	(937)	0	20,542	0	0	0	550	07/01/2025	1
3128P7-6D-0	FHLMC PC GOLD CASH 20		09/15/2014	PRINCIPAL RECEIPT		54,723	54,723	56,716	56,716	0	(1,992)	0	(1,992)	0	54,723	0	0	0	315	07/01/2034	1
3128P7-PH-0	FHLMC PC GOLD CASH 20		09/15/2014	PRINCIPAL RECEIPT		259,787	259,787	280,042	280,042	0	(20,865)	0	(20,865)	0	259,787	0	0	0	7,897	08/01/2030	1
3128BB-GV-0	FHLMC PC GOLD CASH 30		09/15/2014	PRINCIPAL RECEIPT		63,758	63,758	64,655	64,592	0	(834)	0	(834)	0	63,758	0	0	0	2,838	11/01/2032	1
31292H-GP-3	FHLMC PC GOLD CASH 30		09/15/2014	PRINCIPAL RECEIPT		290	290	294	293	0	(3)	0	(3)	0	290	0	0	0	14	12/01/2030	1
31292S-AB-6	FHLMC PC GOLD CASH 30		08/01/2014	VARIOUS		2,182,979	2,222,351	2,317,148	2,317,051	0	(1,827)	0	(1,827)	0	2,315,224	0	(132,245)	(132,245)	42,846	06/01/2042	1
31292S-AG-5	FHLMC PC GOLD CASH 30		09/15/2014	PRINCIPAL RECEIPT		5,461	5,461	5,836	5,833	0	(372)	0	(372)	0	5,461	0	0	0	128	08/01/2042	1
3132L5-A2-9	FHLMC PC GOLD C1 30YR		09/15/2014	PRINCIPAL RECEIPT		2,321	2,321	2,411	2,410	0	(90)	0	(90)	0	2,321	0	0	0	45	04/01/2043	1
3128MC-4J-1	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		19,999	19,999	21,281	21,240	0	(1,241)	0	(1,241)	0	19,999	0	0	0	534	08/01/2026	1
3128MC-GV-1	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		10,960	10,960	11,927	11,867	0	(908)	0	(908)	0	10,960	0	0	0	410	02/01/2024	1
3128MC-QG-3	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		19,367	19,367	20,802	20,735	0	(1,368)	0	(1,368)	0	19,367	0	0	0	592	06/01/2025	1
3128MD-4E-0	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		7,451	7,451	7,559	7,559	0	(108)	0	(108)	0	7,451	0	0	0	24	07/01/2029	1
3128MD-J6-9	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		145,998	145,998	158,271	157,436	0	(11,438)	0	(11,438)	0	145,998	0	0	0	4,932	07/01/2025	1
3128MD-KB-8	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		104,447	104,447	111,808	111,465	0	(7,017)	0	(7,017)	0	104,447	0	0	0	3,155	07/01/2026	1
3128MD-M3-4	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		41,159	41,159	43,616	43,532	0	(2,373)	0	(2,373)	0	41,159	0	0	0	1,092	12/01/2021	1
3128MD-MX-8	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		156,498	156,498	167,404	166,584	0	(10,086)	0	(10,086)	0	156,498	0	0	0	5,810	12/01/2024	1
3128MD-NK-5	FHLMC PC GOLD COMB 15		07/28/2014	VARIOUS		1,980,241	1,839,069	1,971,252	1,966,980	0	(9,532)	0	(9,532)	0	1,957,448	0	22,792	22,792	55,466	06/01/2024	1
3128MM-AG-8	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		29,443	29,443	31,665	31,070	0	(1,626)	0	(1,626)	0	29,443	0	0	0	1,095	08/01/2019	1
3128MM-OT-3	FHLMC PC GOLD COMB 15		09/15/2014	PRINCIPAL RECEIPT		5,215	5,215	5,332	5,340	0	(126)	0	(126)	0	5,215	0	0	0	88	05/01/2028	1
31283H-6C-4	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		41,357	41,357	42,152	42,101	0	(745)	0	(745)	0	41,357	0	0	0	1,811	12/01/2032	1
31283H-6D-2	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		18,075	18,075	18,477	18,441	0	(367)	0	(367)	0	18,075	0	0	0	782	12/01/2031	1
3128LD-FV-1	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		26,058	26,058	28,729	28,730	0	(2,672)	0	(2,672)	0	26,058	0	0	0	1,179	10/01/2037	1
3128M5-B7-4	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		21,919	21,919	24,070	24,113	0	(2,194)	0	(2,194)	0	21,919	0	0	0	895	09/01/2037	1
3128M5-C5-7	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		44,299	44,299	49,192	49,125	0	(4,826)	0	(4,826)	0	44,299	0	0	0	1,796	10/01/2037	1
3128M5-G0-7	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		35,765	35,765	39,716	39,661	0	(3,896)	0	(3,896)	0	35,765	0	0	0	1,388	07/01/2037	1
3128M5-QY-9	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		113,793	113,793	125,931	126,106	0	(12,313)	0	(12,313)	0	113,793	0	0	0	4,819	01/01/2038	1
3128M6-EC-8	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		63,048	63,048	68,239	68,227	0	(5,179)	0	(5,179)	0	63,048	0	0	0	2,134	02/01/2037	1
3128M6-NA-2	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		68,329	68,329	73,646	73,893	0	(5,565)	0	(5,565)	0	68,329	0	0	0	2,534	02/01/2038	1
3128M7-YJ-9	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		28,691	28,691	31,170	31,208	0	(2,517)	0	(2,517)	0	28,691	0	0	0	1,144	12/01/2039	1
3128M8-6L-3	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		69,669	69,669	76,636	76,644	0	(6,975)	0	(6,975)	0	69,669	0	0	0	2,590	12/01/2038	1
3128M8-CW-2	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		5,470	5,470	6,153	6,157	0	(687)	0	(687)	0	5,470	0	0	0	242	09/01/2038	1
3128M8-H5-6	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		1,694	1,694	1,762	1,762	0	(68)	0	(68)	0	1,694	0	0	0	46	02/01/2041	1
3128M8-HG-2	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		1,807	1,807	1,903	1,903	0	(97)	0	(97)	0	1,807	0	0	0	48	12/01/2040	1
3128M8-R3-0	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		4,729	4,729	5,090	5,088	0	(359)	0	(359)	0	4,729	0	0	0	129	12/01/2040	1
3128M8-TZ-2	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		29,675	29,675	32,362	32,388	0	(2,713)	0	(2,713)	0	29,675	0	0	0	1,009	09/01/2041	1
3128M9-B7-6	FHLMC PC GOLD COMB 30		08/01/2014	VARIOUS		3,039,456	2,714,048	3,005,385	3,004,989	0	(12,778)	0	(12,778)	0	2,992,211	0	47,245	47,245	109,526	05/01/2040	1
3128M9-D7-4	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		38,882	38,882	41,458	41,591	0	(2,709)	0	(2,709)	0	38,882	0	0	0	1,199	06/01/2042	1
3128M9-PP-2	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		106,096	106,096	117,368	117,393	0	(11,397)	0	(11,397)	0	106,096	0	0	0	3,901	01/01/2040	1
3128M9-LV-2	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		8,349	8,349	8,722	8,739	0	(390)	0	(390)	0	8,349	0	0	0	172	12/01/2040	1
3128M9-W5-7	FHLMC PC GOLD COMB 30		07/28/2014	VARIOUS		1,910,714	1,774,137	1,891,529													

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3128MJ-TR-1	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		64,509	64,509	68,813	69,044	0	(4,535)	0	(4,535)	0	64,509	0	0	0	1,943	11/01/2043	1
3128MJ-TU-4	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		31,452	31,452	32,061	0	0	(609)	0	(609)	0	31,452	0	0	0	182	01/01/2044	1
3128MJ-UR-9	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		45,401	45,401	46,628	0	0	(1,227)	0	(1,227)	0	45,401	0	0	0	197	06/01/2044	1
3128MJ-US-7	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		22,886	22,886	24,245	0	0	(1,359)	0	(1,359)	0	22,886	0	0	0	116	06/01/2044	1
312931-C3-0	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		131,809	131,809	144,249	144,343	0	(12,534)	0	(12,534)	0	131,809	0	0	0	4,933	02/01/2039	1
312936-NA-1	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		37,700	37,700	40,227	40,245	0	(2,545)	0	(2,545)	0	37,700	0	0	0	1,142	10/01/2039	1
312941-SV-0	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		2,127	2,127	2,273	0	0	(144)	0	(144)	0	2,127	0	0	0	57	08/01/2040	1
312943-DC-3	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		37,621	37,621	40,713	40,720	0	(3,100)	0	(3,100)	0	37,621	0	0	0	1,133	10/01/2040	1
312943-UJ-0	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		6,286	6,286	6,715	6,712	0	(426)	0	(426)	0	6,286	0	0	0	169	11/01/2040	1
312944-FE-6	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		4,852	4,852	5,134	5,135	0	(283)	0	(283)	0	4,852	0	0	0	129	12/01/2040	1
312945-DS-4	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		1,018	1,018	1,072	1,072	0	(54)	0	(54)	0	1,018	0	0	0	28	01/01/2041	1
312945-XY-9	FHLMC PC GOLD COMB 30		09/15/2014	PRINCIPAL RECEIPT		4,120	4,120	4,349	4,349	0	(229)	0	(229)	0	4,120	0	0	0	115	02/01/2041	1
3132GK-2F-2	FHLMC PC GOLD PC 30YR		09/15/2014	PRINCIPAL RECEIPT		5,086	5,086	5,439	5,439	0	(352)	0	(352)	0	5,086	0	0	0	135	12/01/2041	1
3132HM-K9-1	FHLMC PC GOLD PC 30YR		09/15/2014	PRINCIPAL RECEIPT		20,125	20,125	21,432	21,429	0	(1,304)	0	(1,304)	0	20,125	0	0	0	468	09/01/2042	1
3132HQ-4K-5	FHLMC PC GOLD PC 30YR		09/15/2014	PRINCIPAL RECEIPT		11,313	11,313	11,841	11,846	0	(532)	0	(532)	0	11,313	0	0	0	221	01/01/2043	1
31290K-VZ-9	FHLMC PC GUAR 30 YEAR		09/15/2014	PRINCIPAL RECEIPT		469	469	478	471	0	(3)	0	(3)	0	469	0	0	0	25	07/01/2040	1
31300M-AM-5	FHLMC PC GUAR ADJ 30YR		09/15/2014	PRINCIPAL RECEIPT		459,361	459,361	467,687	467,669	0	(8,309)	0	(8,309)	0	459,361	0	0	0	6,124	03/01/2043	1
31300M-HV-8	FHLMC PC GUAR ADJ 30YR		09/15/2014	PRINCIPAL RECEIPT		236,908	236,908	245,033	0	0	(8,125)	0	(8,125)	0	236,908	0	0	0	1,192	01/01/2044	1
31326H-CQ-5	FHLMC PC HYBRID ARM		09/15/2014	PRINCIPAL RECEIPT		1,473	1,473	1,522	0	0	(49)	0	(49)	0	1,473	0	0	0	8	06/01/2044	1
31322Y-U3-3	FHLMC PC JUMBO 30 YEAR		07/17/2014	VARIOUS	3,318,278	3,615,373	3,662,825	3,663,010	0	0	(870)	0	(870)	0	3,662,140	0	(343,863)	(343,863)	58,060	10/01/2042	1
31397C-K5-7	FHLMC REMIC SERIES 3243		09/15/2014	PRINCIPAL RECEIPT		78,691	78,691	84,298	83,546	0	(4,855)	0	(4,855)	0	78,691	0	0	0	3,035	11/15/2036	1
3137AL-XJ-3	FHLMC REMIC SERIES 4000		09/15/2014	PRINCIPAL RECEIPT		105,107	105,107	105,205	0	0	(99)	0	(99)	0	105,107	0	0	0	887	07/15/2031	1
3137AY-CD-1	FHLMC REMIC SERIES K-025		09/25/2014	PRINCIPAL RECEIPT		932	932	951	949	0	(16)	0	(16)	0	932	0	0	0	12	04/25/2022	1
31392M-EM-0	FHLMC REMIC SERIES T0041		09/25/2014	PRINCIPAL RECEIPT		8,313	8,313	8,635	8,304	0	9	0	9	0	8,313	0	0	0	374	07/25/2032	1
31359S-R6-9	FNMA GRANTOR TRUST 2001-T4		09/25/2014	PRINCIPAL RECEIPT		5,964	5,964	6,153	5,985	0	(21)	0	(21)	0	5,964	0	0	0	299	07/25/2028	1
31392F-DC-8	FNMA GRANTOR TRUST 2002-T16		09/25/2014	PRINCIPAL RECEIPT		50,688	50,688	51,955	51,626	0	(938)	0	(938)	0	50,688	0	0	0	2,257	07/25/2042	1
31381D-YY-5	FNMA PASS-THRU GNM-BK MGA 30		09/25/2014	PRINCIPAL RECEIPT		740	740	749	745	0	(6)	0	(6)	0	740	0	0	0	35	05/20/2023	1
31405F-D5-8	FNMA PASS-THRU GOV SINGLE FAM		09/25/2014	PRINCIPAL RECEIPT		604	604	636	634	0	(30)	0	(30)	0	604	0	0	0	28	10/01/2032	1
31384V-ML-3	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,522	1,522	1,570	1,520	0	1	0	1	0	1,522	0	0	0	69	12/01/2014	1
313847-G6-9	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		8,011	8,011	8,392	8,363	0	(351)	0	(351)	0	8,011	0	0	0	217	02/01/2026	1
31384F-KH-2	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		8,052	8,052	8,604	8,587	0	(535)	0	(535)	0	8,052	0	0	0	215	05/01/2026	1
3138EG-RS-5	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		2,058	2,058	2,202	0	0	(144)	0	(144)	0	2,058	0	0	0	30	08/01/2024	1
3138EJ-E3-8	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		3,166	3,166	3,393	0	0	(228)	0	(228)	0	3,166	0	0	0	47	01/01/2027	1
3138EJ-KA-5	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		16,310	16,310	17,427	12,104	0	(1,104)	0	(1,104)	0	16,310	0	0	0	370	09/01/2026	1
3138EJ-WY-0	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		20,639	20,639	20,700	20,742	0	(103)	0	(103)	0	20,639	0	0	0	347	10/01/2027	1
3138EL-TE-3	FNMA PASS-THRU INT 15 YEAR		08/01/2014	VARIOUS	1,938,344	1,797,660	1,913,665	1,912,188	0	0	(8,223)	0	(8,223)	0	1,903,965	0	34,379	34,379	54,092	01/01/2027	1
3138EM-U6-6	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		103,648	103,648	104,620	0	0	(972)	0	(972)	0	103,648	0	0	0	893	02/01/2028	1
3138LY-2K-2	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		18,462	18,462	19,478	19,463	0	(1,000)	0	(1,000)	0	18,462	0	0	0	373	06/01/2027	1
3138MD-2T-8	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		22,620	22,620	23,633	23,618	0	(997)	0	(997)	0	22,620	0	0	0	375	10/01/2027	1
3138WP-JE-5	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		3,410	3,410	3,575	3,578	0	(168)	0	(168)	0	3,410	0	0	0	57	04/01/2028	1
31402D-FV-7	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		24,651	24,651	25,912	25,061	0	(411)	0	(411)	0	24,651	0	0	0	1,068	07/01/2017	1
31403D-DK-2	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		47,722	47,722	48,587	48,243	0	(522)	0	(522)	0	47,722	0	0	0	1,919	03/01/2021	1
31410L-EC-2	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		24,670	24,670	26,759	26,549	0	(1,878)	0	(1,878)	0	24,670	0	0	0	813	07/01/2024	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		23,050	23,050	23,417	23,320	0	(270)	0	(270)	0	23,050	0	0	0	823	11/01/2021	1
31412Q-EQ-8	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		5,407	5,407	5,816	0	0	(409)	0	(409)	0	5,407	0	0	0	80	08/01/2024	1
31416B-OD-3	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		52,643	52,643	57,192	56,403	0	(3,760)	0	(3,760)	0	52,643	0	0	0	1,971	01/01/2021	1
31416Y-U3-0	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		15,776	15,776	16,920	16,891	0	(1,115)	0	(1,115)	0	15,776	0	0	0	415	07/01/2026	1
31417C-7C-3	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		19,980	19,980	21,132	21,105	0	(1,125)	0	(1,125)	0	19,980	0	0	0	400	09/01/2027	1
31417D-CC-5	FNMA PASS-THRU INT 15 YEAR		09/25/2014	PRINCIPAL RECEIPT		11,494	11,494	12,034	12,031	0	(537)	0	(537)	0	11,494	0	0	0	189	10/01/2027	1
3138EM-JY-8	FNMA PASS-THRU INT 20 YEAR		09/25/2014	PRINCIPAL RECEIPT		66,294	66,294	70,303	0	0	(4,009)	0	(4,009)	0	66,294	0	0	0	1,093	10/01/2032	1
31416W-SZ-1	FNMA PASS-THRU INT 20 YEAR		09/25/2014	PRINCIPAL RECEIPT		41,832	41,832	44,551	44,615	0	(2,783)	0	(2,783)	0	41,832	0	0	0	1,125	11/01/2030	1
31418B-O3-7	FNMA PASS-THRU INT 20 YEAR		09/25/2014	VARIOUS	3,933,327	3,785,165	3,924,151	0	0	0	(3,106)	0	(3,106)	0	3,921,045	0	12,281	12,281	36,551	06/01/2034	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		81,691	81,691	86,287	86,207	0	(4,515)	0	(4,515)	0	81,691	0	0	0	3,295	12/01/2033	1
31371K-T9-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		4,444	4,444	4,458	4,455	0	(11)	0	(11)	0	4,444	0	0	0	160	09/01/2032	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		15,553	15,553	16,298	16,277	0	(724)	0	(724)	0	15,553	0	0	0	735	08/01/2037	1
313842-BX-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		15,112	15,112	16,255	16,264	0	(1,152)	0	(1,152)	0	15,112	0	0	0	459	12/01/2040	1
313845-4N-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		5,456	5,456	5,571	0	0	(115)	0	(115)	0							

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3138EH-JW-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		24,193	24,193	27,307	27,343	0	(3,151)	0	(3,151)	0	24,193	0	0	0	1,050	10/01/2039	1
3138EH-XF-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		10,192	10,192	11,240	0	0	(1,048)	0	(1,048)	0	10,192	0	0	0	84	01/01/2042	1
3138EJ-EY-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		8,043	8,043	8,471	0	0	(429)	0	(429)	0	8,043	0	0	0	49	06/01/2042	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		6,428	6,428	6,936	6,936	0	(508)	0	(508)	0	6,428	0	0	0	195	12/01/2041	1
3138EL-X7-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		6,266	6,266	6,727	0	0	(460)	0	(460)	0	6,266	0	0	0	46	04/01/2041	1
3138EN-AA-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		76,020	76,020	75,330	0	0	690	0	690	0	76,020	0	0	0	270	02/01/2044	1
3138EN-BJ-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		28,957	28,957	31,495	0	0	(2,538)	0	(2,538)	0	28,957	0	0	0	225	02/01/2041	1
3138MA-KX-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,574	1,574	1,606	0	0	(31)	0	(31)	0	1,574	0	0	0	5	09/01/2042	1
3138MQ-TK-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		147	147	136	0	0	11	0	11	0	147	0	0	0	2	12/01/2042	1
3138MR-K6-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,413	1,413	1,311	0	0	102	0	102	0	1,413	0	0	0	18	01/01/2043	1
3138MR-LL-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		37,773	37,773	39,894	39,915	0	(2,142)	0	(2,142)	0	37,773	0	0	0	901	01/01/2043	1
3138NX-KF-3	FNMA PASS-THRU LNG 30 YEAR		07/25/2014	VARIOUS		4,658,889	4,737,605	4,967,083	4,965,840	0	(6,538)	0	(6,538)	0	4,959,302	0	(300,413)	(300,413)	91,112	01/01/2043	1
3138NX-KJ-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		5,262	5,262	5,100	5,099	0	162	0	162	0	5,262	0	0	0	107	01/01/2043	1
3138NY-4L-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,388	1,388	1,288	0	0	100	0	100	0	1,388	0	0	0	17	02/01/2043	1
3138NY-EY-7	FNMA PASS-THRU LNG 30 YEAR		07/25/2014	VARIOUS		4,518,693	4,595,687	4,818,290	4,817,074	0	(4,432)	0	(4,432)	0	4,812,642	0	(293,950)	(293,950)	88,536	01/01/2043	1
3138W9-26-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		11,926	11,926	11,484	0	0	442	0	442	0	11,926	0	0	0	148	10/01/2043	1
3138W9-SB-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		19,935	19,935	18,963	0	0	972	0	972	0	19,935	0	0	0	62	08/01/2043	1
3138WQ-AT-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,111	1,111	1,031	0	0	80	0	80	0	1,111	0	0	0	14	05/01/2043	1
3138WQ-AX-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		15,194	15,194	14,546	14,544	0	650	0	650	0	15,194	0	0	0	312	05/01/2043	1
3138X0-2S-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		9,955	9,955	10,190	0	0	(235)	0	(235)	0	9,955	0	0	0	29	08/01/2043	1
31402C-Y3-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		56,544	56,544	60,510	60,428	0	(3,884)	0	(3,884)	0	56,544	0	0	0	2,278	03/01/2034	1
31402R-AQ-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		15,239	15,239	15,649	15,621	0	(382)	0	(382)	0	15,239	0	0	0	660	12/01/2032	1
31402R-AS-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		17,332	17,332	17,827	17,805	0	(473)	0	(473)	0	17,332	0	0	0	764	03/01/2035	1
31402R-H2-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		6,857	6,857	6,921	6,915	0	(58)	0	(58)	0	6,857	0	0	0	268	12/01/2032	1
31402R-JV-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		49,612	49,612	54,100	54,117	0	(4,505)	0	(4,505)	0	49,612	0	0	0	1,689	07/01/2035	1
31402R-LZ-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		5,857	5,857	6,524	6,524	0	(667)	0	(667)	0	5,857	0	0	0	233	08/01/2035	1
31410G-AQ-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		9,086	9,086	10,100	0	0	(1,014)	0	(1,014)	0	9,086	0	0	0	57	12/01/2036	1
31410K-DN-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		67,979	67,979	74,575	74,665	0	(6,686)	0	(6,686)	0	67,979	0	0	0	2,688	05/01/2038	1
31410K-T8-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		44,036	44,036	48,577	48,744	0	(4,708)	0	(4,708)	0	44,036	0	0	0	1,766	05/01/2037	1
31410K-US-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		54,182	54,182	59,740	59,754	0	(5,572)	0	(5,572)	0	54,182	0	0	0	1,982	08/01/2037	1
31410K-XM-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		78,484	78,484	87,292	87,261	0	(8,777)	0	(8,777)	0	78,484	0	0	0	3,402	10/01/2038	1
31410L-DU-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		2,639	2,639	2,833	2,835	0	(195)	0	(195)	0	2,639	0	0	0	80	02/01/2041	1
31410L-MN-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		17,958	17,958	17,463	0	0	495	0	495	0	17,958	0	0	0	269	11/01/2043	1
31411B-GT-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		25,605	25,605	28,070	28,145	0	(2,540)	0	(2,540)	0	25,605	0	0	0	1,038	12/01/2040	1
31412R-FJ-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		6,886	6,886	7,459	0	0	(572)	0	(572)	0	6,886	0	0	0	39	03/01/2036	1
31416C-JV-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		47,880	47,880	53,206	53,222	0	(5,342)	0	(5,342)	0	47,880	0	0	0	1,910	11/01/2038	1
31416W-H3-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		35,267	35,267	38,578	38,614	0	(3,348)	0	(3,348)	0	35,267	0	0	0	1,146	06/01/2040	1
31416X-J7-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		88,695	88,695	93,954	93,969	0	(5,274)	0	(5,274)	0	88,695	0	0	0	2,313	01/01/2041	1
31416X-JR-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,573	1,573	1,607	0	0	(34)	0	(34)	0	1,573	0	0	0	5	01/01/2041	1
31417D-26-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,899	1,899	1,993	0	0	(94)	0	(94)	0	1,899	0	0	0	39	11/01/2042	1
31417D-3H-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		7,769	7,769	8,193	0	0	(424)	0	(424)	0	7,769	0	0	0	155	11/01/2042	1
31417D-F9-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		2,108	2,108	2,230	0	0	(122)	0	(122)	0	2,108	0	0	0	42	10/01/2042	1
31417D-LP-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		30,017	30,017	31,571	31,570	0	(1,552)	0	(1,552)	0	30,017	0	0	0	715	10/01/2042	1
31417D-MU-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,382	1,382	1,455	1,455	0	(72)	0	(72)	0	1,382	0	0	0	29	10/01/2042	1
31417D-MV-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		3,817	3,817	4,021	4,020	0	(203)	0	(203)	0	3,817	0	0	0	79	10/01/2042	1
31417D-QW-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		5,799	5,799	6,102	6,100	0	(300)	0	(300)	0	5,799	0	0	0	120	10/01/2042	1
31417E-CK-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		6,246	6,246	6,457	6,470	0	(224)	0	(224)	0	6,246	0	0	0	127	12/01/2042	1
31417E-WG-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		5,279	5,279	5,437	5,448	0	(169)	0	(169)	0	5,279	0	0	0	106	02/01/2043	1
31417G-GA-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		5,455	5,455	5,605	0	0	(150)	0	(150)	0	5,455	0	0	0	26	07/01/2043	1
31417Y-N6-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		29,786	29,786	31,941	31,936	0	(2,150)	0	(2,150)	0	29,786	0	0	0	895	12/01/2039	1
31417Y-W4-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		19,424	19,424	20,917	20,929	0	(1,505)	0	(1,505)	0	19,424	0	0	0	593	03/01/2041	1
31418A-DH-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		1,063	1,063	1,084	0	0	(21)	0	(21)	0	1,063	0	0	0	3	03/01/2042	1
31418M-2T-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		6,208	6,208	6,875	6,875	0	(667)	0	(667)	0	6,208	0	0	0	252	10/01/2039	1
31418M-G3-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		87,407	87,407	93,221	93,048	0	(5,641)	0	(5,641)	0	87,407	0	0	0	3,537	08/01/2037	1
31418M-G4-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		35,427	35,427	39,468	39,469	0	(4,041)	0	(4,041)	0	35,427	0	0	0	1,414	09/01/2036	1
31418M-GG-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		90,399	90,399	99,567	99,449	0	(9,050)	0	(9,050)	0	90,399	0	0	0	3,349	09/01/2038	1
31418T-JF-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		42,272	42,272	46,922	0	0	(4,650)	0	(4,650)	0	42,272	0	0	0	394	05/01/2040	1

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31419A-NJ-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	VARIOUS		247,405	226,638	248,664	248,762	.0	(4,211)	.0	(4,211)	.0	244,552	.0	2,854	2,854	8,596	12/01/2039	1
31419A-P5-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		13,910	13,910	15,723	15,732	.0	(1,822)	.0	(1,822)	.0	13,910	.0	.0	.0	596	10/01/2039	1
31419A-VS-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		448	448	473	474	.0	(26)	.0	(26)	.0	448	.0	.0	.0	85	11/01/2040	1
31419F-FV-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		4,555	4,555	4,884	4,887	.0	(332)	.0	(332)	.0	4,555	.0	.0	.0	137	11/01/2040	1
31419J-SV-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		2,623	2,623	2,783	2,784	.0	(161)	.0	(161)	.0	2,623	.0	.0	.0	105	11/01/2040	1
31371N-LS-2	FNMA PASS-THRU LNG 10 7-10YR		09/25/2014	PRINCIPAL RECEIPT		20,782	20,782	21,163	21,163	.0	(381)	.0	(381)	.0	20,782	.0	.0	.0	943	10/01/2037	1
31410G-LR-2	FNMA PASS-THRU LNG 10 7-10YR		09/25/2014	PRINCIPAL RECEIPT		24,721	24,721	26,593	26,593	.0	(1,872)	.0	(1,872)	.0	24,721	.0	.0	.0	1,000	10/01/2037	1
31413Q-PD-4	FNMA PASS-THRU LNG 10 7-10YR		09/25/2014	PRINCIPAL RECEIPT		38,414	38,414	39,530	39,530	.0	(1,116)	.0	(1,116)	.0	38,414	.0	.0	.0	1,704	10/01/2037	1
31418M-CG-5	FNMA PASS-THRU LNG 10 7-10YR		09/25/2014	PRINCIPAL RECEIPT		46,521	46,521	49,632	49,674	.0	(3,152)	.0	(3,152)	.0	46,521	.0	.0	.0	1,846	12/01/2037	1
31418M-XZ-0	FNMA PASS-THRU LNG 10 7-10YR		09/25/2014	PRINCIPAL RECEIPT		16,693	16,693	17,785	17,764	.0	(1,071)	.0	(1,071)	.0	16,693	.0	.0	.0	697	05/01/2038	1
31403Q-GP-8	FNMA PASS-THRU MEGA MULTI 7		08/25/2014	VARIOUS		863,177	823,311	856,921	839,127	.0	(4,009)	.0	(4,009)	.0	835,118	.0	28,059	28,059	32,966	02/01/2016	1
3138EJ-PB-5	FNMA PASS-THRU SF30 LTV125+		09/25/2014	VARIOUS		3,477,991	3,273,413	3,492,834	3,492,834	.0	(8,769)	.0	(8,769)	.0	3,484,065	.0	(6,073)	(6,073)	35,759	08/01/2032	1
31416V-C9-7	FNMA PASS-THRU INT 20 YEAR		09/25/2014	PRINCIPAL RECEIPT		41,549	41,549	45,269	.0	.0	(3,720)	.0	(3,720)	.0	41,549	.0	.0	.0	285	04/01/2031	1
3138AF-W6-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		102,045	102,045	110,145	.0	.0	(8,100)	.0	(8,100)	.0	102,045	.0	.0	.0	804	05/01/2041	1
3138WQ-AY-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		66,433	66,433	65,841	.0	.0	592	.0	592	.0	66,433	.0	.0	.0	235	05/01/2043	1
31417F-SG-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2014	PRINCIPAL RECEIPT		11,376	11,376	11,154	.0	.0	222	.0	222	.0	11,376	.0	.0	.0	52	04/01/2043	1
31387D-SQ-0	FNMA POOL #581407		09/25/2014	PRINCIPAL RECEIPT		84	84	86	85	.0	(1)	.0	(1)	.0	84	.0	.0	.0	4	06/01/2031	1
31410F-UC-7	FNMA POOL #888079 6.500%		09/25/2014	PRINCIPAL RECEIPT		28,479	28,479	29,125	29,031	.0	(552)	.0	(552)	.0	28,479	.0	.0	.0	1,202	10/01/2026	1
31410K-UK-8	FNMA POOL #889886 7.000%		09/25/2014	PRINCIPAL RECEIPT		17,321	17,321	18,133	18,112	.0	(791)	.0	(791)	.0	17,321	.0	.0	.0	779	12/01/2037	1
31392E-SB-4	FNMA REMIC TRUST 2002-W10		09/25/2014	PRINCIPAL RECEIPT		19,021	19,021	18,997	18,996	.0	25	.0	25	.0	19,021	.0	.0	.0	742	08/25/2042	1
31392D-H7-0	FNMA REMIC TRUST 2002-W6		09/25/2014	PRINCIPAL RECEIPT		16,351	16,351	17,935	16,631	.0	(280)	.0	(280)	.0	16,351	.0	.0	.0	748	06/25/2042	1
31392D-P9-7	FNMA REMIC TRUST 2002-W8		09/25/2014	PRINCIPAL RECEIPT		3,526	3,526	3,699	3,520	.0	6	.0	6	.0	3,526	.0	.0	.0	168	06/25/2042	1
31398G-4P-1	FNMA REMIC TRUST 2010-2		09/25/2014	PRINCIPAL RECEIPT		95,272	95,272	100,423	.0	.0	(5,151)	.0	(5,151)	.0	95,272	.0	.0	.0	2,471	12/25/2049	1
3136A3-7D-7	FNMA REMIC TRUST 2012-39		09/25/2014	PRINCIPAL RECEIPT		56,905	56,905	60,320	59,620	.0	(2,715)	.0	(2,715)	.0	56,905	.0	.0	.0	1,616	03/25/2042	1
3136AH-BX-7	FNMA REMIC TRUST 2013-123		09/25/2014	PRINCIPAL RECEIPT		55,398	55,398	56,523	.0	.0	(1,125)	.0	(1,125)	.0	55,398	.0	.0	.0	560	05/25/2043	1
92813T-EE-6	VIRGINIA ST HSG DEV AUTH HOME		09/25/2014	ASSOCIATE		14,926	14,926	14,926	14,926	.0	.0	.0	.0	.0	14,926	.0	.0	.0	311	08/25/2042	1FE
3199999	Subtotal - Bonds - U.S. Special Revenues					46,526,219	46,205,820	48,325,485	39,470,461	0	(413,049)	.0	(413,049)	.0	47,882,204	0	(1,355,987)	(1,355,987)	1,085,832	XXX	XXX
023772-AA-4	AMER AIRLINES PT TR 2013-1 144A		07/30/2014	VARIOUS		277,279	277,279	277,279	277,279	.0	.0	.0	.0	.0	277,279	.0	.0	.0	7,246	07/15/2025	1FE
02377U-AA-2	AMER AIRLINES PT TR 2013-2 144A		07/30/2014	VARIOUS		194,080	194,080	194,080	194,080	.0	.0	.0	.0	.0	194,080	.0	.0	.0	9,341	01/15/2023	2FE
026874-BW-6	AMERICAN INTL GROUP INC		07/14/2014	TENDER OFFER		25,403	25,403	23,536	23,133	.0	(141)	.0	(141)	.0	22,992	.0	2,411	2,411	780	12/15/2020	2FE
032511-BH-9	ANADARKO PETE CORP		07/02/2014	VARIOUS		304,644	265,000	316,462	304,502	.0	(5,179)	.0	(5,179)	.0	299,322	.0	5,322	5,322	13,750	09/15/2017	2FE
035229-DA-8	ANHEUSER BUSCH COS INC		09/03/2014	LINSCO/PRIVATE LEDGER		2,468,000	2,000,000	2,398,880	.0	.0	(2,295)	.0	(2,295)	.0	2,396,586	.0	71,415	71,415	50,153	04/01/2036	1FE
05377R-BF-0	AVIS BUDGET RENTAL FDG 2013 144A		07/01/2014	BANC AMERICA SECURITIES		113,575	110,000	113,300	.0	.0	(125)	.0	(125)	.0	113,175	.0	400	400	653	02/20/2020	1FE
05950W-AF-5	BANC AMER CIBS 2006-4		09/10/2014	PRINCIPAL RECEIPT		10,187	10,187	11,514	10,814	.0	(627)	.0	(627)	.0	10,187	.0	.0	.0	431	07/10/2046	1FM
059513-AE-1	BANC AMER CIBS 2007-4		09/10/2014	PRINCIPAL RECEIPT		6,015	6,015	6,895	6,511	.0	(496)	.0	(496)	.0	6,015	.0	.0	.0	229	02/10/2051	1FM
06050T-KN-1	BANK AMER CHRLT NC MTN		07/15/2014	JEFFERIES & CO BONDS DIR		301,538	275,000	274,744	274,903	.0	15	.0	15	.0	274,918	.0	26,619	26,619	12,267	03/15/2017	2FE
06051G-DX-4	BANK AMER FDG CORP		07/15/2014	MCDONALD & COMPANY		1,781,042	1,575,000	1,596,058	1,586,971	.0	(1,341)	.0	(1,341)	.0	1,585,631	.0	195,411	195,411	63,527	05/01/2018	1FE
101137-AK-3	BOSTON SCIENTIFIC CORP		07/24/2014	CANTOR FITZGERALD & CO		1,045,386	900,000	1,044,693	1,029,498	.0	(11,024)	.0	(11,024)	.0	1,018,474	.0	26,912	26,912	56,100	01/15/2020	2FE
12189P-AJ-1	BURLINGTON NORTH SF 2001-1		07/15/2014	PRINCIPAL RECEIPT		7,614	7,614	7,773	7,661	.0	(48)	.0	(48)	.0	7,614	.0	.0	.0	512	07/15/2022	1FE
12189P-AG-7	BURLINGTON NORTH SF RY PSTH CTF		07/15/2014	Sink PMT @ 100.0000000		245	245	259	253	.0	(8)	.0	(8)	.0	245	.0	.0	.0	20	01/15/2021	1FE
13975F-AC-4	CAPITAL AUTO RECV ABN 2013-4		07/01/2014	NOMURA SECURITIES INTL		185,116	185,000	184,998	184,998	.0	.0	.0	.0	.0	184,998	.0	118	118	1,075	03/20/2018	1FE
14313J-AD-3	CARMAX AUTO TR 2012-2		07/01/2014	BANC AMERICA SECURITIES		181,125	180,000	179,966	180,080	.0	(19)	.0	(19)	.0	180,061	.0	1,064	1,064	1,143	12/15/2017	1FE
12622Q-AA-2	COMM 2010-C1 144A		09/12/2014	PRINCIPAL RECEIPT		10,265	10,265	10,666	10,590	.0	(325)	.0	(325)	.0	10,265	.0	.0	.0	215	07/12/2046	1FM
12624N-AA-8	COMM MTG TR 2012-LTRT 144A		09/08/2014	PRINCIPAL RECEIPT		31,470	31,470	32,509	32,399	.0	(928)	.0	(928)	.0	31,470	.0	.0	.0	449	10/07/2030	1FM
205887-BR-2	CONAGRA FOODS INC		08/04/2014	Tender Offer		108,750	110,000	110,173	110,160	.0	(9)	.0	(9)	.0	110,150	.0	(1,400)	(1,400)	3,608	01/25/2023	2FE
22404A-BU-0	COX COMMUNICATIONS INC NEW		07/15/2014	PRINCIPAL RECEIPT		2,716,749	2,100,000	2,616,727	2,480,342	.0	(37,289)	.0	(37,289)	.0	2,443,053	.0	273,696	273,696	198,516	01/15/2019	2FE
22545R-AF-3	CSFB COML MTG PTC 2006-TFL2		07/15/2014	PRINCIPAL RECEIPT		3,000,000	3,000,000	2,720,000	2,995,704	.0	4,296	.0	4,296	.0	3,000,000	.0	.0	.0	6,288	10/15/2021	1FM
23311V-AC-1	DCP MIDSTREAM OPERATING PL		07/02/2014	VARIOUS		230,688	225,000	223,405	223,632	.0	168	.0	168	.0	223,800	.0	6,888	6,888	3,391	12/01/2017	2FE
25272U-AA-9	DIAMOND RESORTS TR 144A		09/20/2014	PRINCIPAL RECEIPT		15,598	15,598	15,595	15,625	.0	(27)	.0	(27)	.0	15,598	.0	.0	.0	217	05/20/2026	1FE

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Design-ation or Market In-dicator (a)
278062-AD-6	EATON CORP PLC		07/15/2014	MERRILL LYNCH PROFESSNL		1,997,500	2,000,000	1,971,600	0	0	75	0	75	0	1,971,675	0	25,825	25,825	16,889	11/02/2032	2FE
278642-AF-0	EBAY INC		09/03/2014	LINSCO/PRIVATE LEDGER		1,814,000	2,000,000	1,762,560	0	0	837	0	837	0	1,763,397	0	50,603	50,603	51,778	07/15/2042	1FE
29157T-AA-4	EMORY UNIVERSITY		07/17/2014	ASSOCIATE		1,160,520	1,000,000	1,232,780	1,206,919	0	(18,996)	0	(18,996)	0	1,187,924	0	(27,404)	(27,404)	50,156	09/01/2019	1FE
29372E-AY-4	ENTERPRISE FLEET FNC 144A		09/20/2014	PRINCIPAL RECEIPT		22,086	22,086	22,086	22,098	0	(12)	0	(12)	0	22,086	0	0	0	143	03/20/2019	1FE
30165R-AA-6	EXETER AUTO REC V TR 2014 144A		09/15/2014	PRINCIPAL RECEIPT		8,489	8,489	8,488	0	0	0	0	0	0	8,489	0	0	0	19	08/15/2018	1FE
369550-AT-5	GENERAL DYNAMICS CORP		09/04/2014	LINSCO/PRIVATE LEDGER		1,832,800	2,000,000	1,818,080	0	0	706	0	706	0	1,818,786	0	14,014	14,014	22,800	11/15/2042	1FE
36253B-AQ-6	GS MTG SECS TR 2014-GC22		09/12/2014	VARIOUS		2,572	2,572	2,572	0	0	0	0	0	0	2,572	0	0	0	4	06/12/2047	1FE
411707-AA-0	HARDEES FUND LLC 144A		09/20/2014	PRINCIPAL RECEIPT		1,219	1,219	1,226	1,216	9	(6)	0	3	0	1,219	0	0	0	27	03/20/2043	3AM
428236-BP-7	HEWLETT PACKARD CO		07/24/2014	COR		1,038,900	1,000,000	1,046,000	0	0	(6,595)	0	(6,595)	0	1,039,405	0	(505)	(505)	11,167	09/15/2016	2FE
43284A-AA-2	HILTON GRAND VACA TR 2014-A 144A		09/25/2014	PRINCIPAL RECEIPT		12,417	12,417	12,416	0	0	2	0	2	0	12,417	0	0	0	35	11/25/2026	1FE
44890F-AD-9	HYUNDAI AUTO LEASE TR 2012-A 144A		07/01/2014	BANC AMERICA SECURITIES		100,219	100,000	99,994	100,028	0	(16)	0	(16)	0	100,013	0	206	206	575	04/17/2017	1FE
44923Q-AF-1	HYUNDAI CAP AMER INC 144A		07/02/2014	CHASE SECURITIES, INC.		60,817	60,000	59,965	59,970	0	6	0	6	0	59,975	0	841	841	1,028	08/09/2016	2FE
46186N-AA-6	INVITATION HOMES TR 2013 144A		09/19/2014	PRINCIPAL RECEIPT		430	430	430	430	0	0	0	0	0	430	0	0	0	4	12/19/2030	1FE
478160-AL-8	JOHNSON & JOHNSON		09/04/2014	COR		2,329,200	2,000,000	2,289,540	0	0	(2,179)	0	(2,179)	0	2,287,361	0	41,839	41,839	31,350	05/15/2033	1FE
46629P-AC-2	JP MORGAN COM MTG 2006-LDP9		09/15/2014	PRINCIPAL RECEIPT		3,469	3,469	3,790	0	0	(321)	0	(321)	0	3,469	0	0	0	77	05/15/2047	1FM
46629H-JC-5	JPMORGAN CHASE & CO		09/23/2014	CHASE SECURITIES, INC.		749,959	700,000	770,084	760,355	0	(5,176)	0	(5,176)	0	755,178	0	(5,219)	(5,219)	33,918	08/15/2021	1FE
50179A-AE-7	LB-LBS CMBS 2007-C1		09/17/2014	PRINCIPAL RECEIPT		2,700	2,700	2,901	0	0	(202)	0	(202)	0	2,700	0	0	0	97	02/15/2040	1FM
52109P-AE-5	LB-LBS CMBS 2007-C6		09/17/2014	PRINCIPAL RECEIPT		2,757	2,757	2,967	0	0	(210)	0	(210)	0	2,757	0	0	0	67	07/15/2040	1FM
524901-AP-0	LEGG MASON INC		07/23/2014	CALLED @ 115.1685650		1,151,686	1,000,000	990,565	991,678	0	753	0	753	0	992,431	0	159,254	159,254	36,972	05/21/2019	2FE
58768D-AD-3	MERC-BENZ AUTO LEASE TR 2013-B		07/01/2014	BANC AMERICA SECURITIES		155,339	155,000	154,972	154,974	0	7	0	7	0	154,981	0	358	358	645	07/15/2019	1FE
594918-AJ-3	MICROSOFT CORP		09/08/2014	LINSCO/PRIVATE LEDGER		2,080,600	2,000,000	2,051,960	0	0	(233)	0	(233)	0	2,051,727	0	28,873	28,873	40,000	10/01/2040	1FE
59025W-AE-6	ML MTG TRUST 2008-C1		09/12/2014	PRINCIPAL RECEIPT		2,985	2,985	3,400	3,236	0	(251)	0	(251)	0	2,985	0	0	0	108	02/12/2051	1FM
617446-7U-7	MORGAN STANLEY		07/02/2014	MORGAN STANLEY & CO. INC		503,970	500,000	499,645	499,692	0	34	0	34	0	499,726	0	4,244	4,244	7,467	04/25/2018	1FE
61763M-AA-8	MS BOFAMIL TRUST 2014-C16		09/17/2014	PRINCIPAL RECEIPT		2,768	2,768	2,768	0	0	0	0	0	0	2,768	0	0	0	5	06/17/2047	1FE
553893-AA-6	MWV OWNER TRUST 2013-144A		09/20/2014	PRINCIPAL RECEIPT		6,165	6,165	6,176	6,176	0	(11)	0	(11)	0	6,165	0	0	0	82	04/22/2030	1FE
629568-AZ-9	NABORS INDS INC		07/02/2014	MIZUHO SECURITIES USA		41,015	40,000	39,983	0	0	0	0	0	39,983	0	1,032	1,032	295	09/15/2016	2FE	
63946B-AD-2	NBCUNIVERSAL MEDIA LLC		07/07/2014	HSBC SECURITIES, INC.		256,673	225,000	258,221	251,827	0	(2,001)	0	(2,001)	0	249,826	0	6,847	6,847	8,047	04/30/2020	1FE
649081-AA-4	NEW VALLEY GEN IV 2003-1		07/15/2014	INC		1,134,526	1,025,560	1,175,826	1,140,641	0	(2,458)	0	(2,458)	0	1,138,183	0	(3,657)	(3,657)	48,469	01/15/2022	1FE
64908Q-AA-9	NEW VALLEY GEN V 4.929%		07/15/2014	INC		916,539	821,271	821,271	821,271	0	0	0	0	0	821,271	0	95,267	95,267	40,818	01/15/2021	1FE
651639-AN-6	NEWMONT MINING CORP		08/14/2014	RBC CAPITAL MARKETS CORP		965,620	1,000,000	1,001,700	1,001,579	0	(108)	0	(108)	0	1,001,471	0	(35,851)	(35,851)	32,472	03/15/2022	2FE
65474V-AE-1	NISSAN MSTR OWNR TR 2012-A		07/01/2014	BANC AMERICA SECURITIES		556,301	555,000	555,000	555,000	0	0	0	0	0	555,000	0	1,301	1,301	1,912	05/15/2017	1FE
68389X-AH-8	ORACLE CORP		09/08/2014	LINSCO/PRIVATE LEDGER		2,511,000	2,000,000	2,510,760	0	0	(2,432)	0	(2,432)	0	2,508,328	0	2,672	2,672	82,688	07/08/2039	1FE
74438G-AC-5	PRUDENTIAL HLDGS LLC 144A		07/17/2014	COR		2,905,883	2,377,000	3,045,246	2,996,615	0	(38,417)	0	(38,417)	0	2,958,197	0	(52,315)	(52,315)	102,371	12/18/2023	1FE
781172-AB-7	RUBY PIPELINE LLC SR NT 144A		07/23/2014	MIZUHO SECURITIES USA		869,700	780,000	780,000	780,000	0	0	0	0	0	780,000	0	89,700	89,700	38,610	04/01/2022	2FE
81745B-AA-3	SEQUOIA MTG TR 2013-6		09/25/2014	PRINCIPAL RECEIPT		3,529	3,529	3,510	3,511	0	17	0	17	0	3,529	0	0	0	58	05/25/2043	1FM
81745C-AB-9	SEQUOIA MTG TR 2013-7		09/25/2014	PRINCIPAL RECEIPT		1,556	1,556	1,567	1,566	0	(9)	0	(9)	0	1,556	0	0	0	32	06/25/2043	1FM
82651Y-AA-3	SIERRA RECEIVABLES FDG 144A		09/20/2014	PRINCIPAL RECEIPT		8,445	8,445	8,443	8,458	0	(13)	0	(13)	0	8,445	0	0	0	83	11/20/2029	1FE
82652B-AA-2	SIERRA RECEIVABLES FDG 144A		09/20/2014	PRINCIPAL RECEIPT		16,563	16,563	16,617	16,639	0	(77)	0	(77)	0	16,563	0	0	0	233	11/20/2025	1FE
82650H-AA-1	SIERRA RECEIVABLES FDG 2013-3 144A		09/20/2014	PRINCIPAL RECEIPT		17,588	17,588	17,583	17,617	0	(28)	0	(28)	0	17,588	0	0	0	238	10/20/2030	1FE
82652C-AA-0	SIERRA RECEIVABLES FDG 2014-144A		09/20/2014	PRINCIPAL RECEIPT		26,582	26,582	26,579	0	0	3	0	3	0	26,582	0	0	0	202	03/20/2030	1FE

E05.5

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
881561-XJ-8	TERWIN MTG TR 2005-14HE		09/25/2014	PRINCIPAL RECEIPT		1,799	1,799	1,067	1,071	0	728	0	728	0	1,799	0	0	0	44	08/25/2036	1FM	
90783X-AA-9	UNION PACIFIC RR CO 2007-3		07/02/2014	PRINCIPAL RECEIPT		13,106	13,106	13,106	13,106	0	0	0	0	0	13,106	0	0	0	405	01/02/2031	1FE	
92343V-BR-4	VERIZON COMMUNICATIONS INC		07/15/2014	CHASE SECURITIES, INC.		2,625,115	2,350,000	2,369,930	2,369,915	0	(911)	0	(911)	0	2,369,004	0	256,111	256,111	100,854	09/15/2023	2FE	
92343V-BT-0	VERIZON COMMUNICATIONS INC		08/21/2014	EXCHANGE		2,154,754	1,687,000	2,076,577	245,277	0	(746)	0	(746)	0	2,075,759	0	78,995	78,995	55,129	09/15/2043	2FE	
92343V-BY-9	VERIZON COMMUNICATIONS INC		07/15/2014	CHASE SECURITIES, INC.		416,288	400,000	400,115	0	0	(4)	0	(4)	0	400,111	0	16,177	16,177	5,579	03/15/2024	2FE	
92343V-CL-6	VERIZON COMMUNICATIONS INC 144A		08/27/2014	SEI TRUST COMPANY		266	266	267	0	0	0	0	0	0	267	0	(1)	(1)	0	08/21/2054	1FE	
92867K-AD-6	VOLKSWAGEN AUTO LEASE TR 2012-A		07/01/2014	BARCLAYS CAPITAL INC		165,413	165,000	164,980	165,044	0	(25)	0	(25)	0	165,020	0	393	393	933	05/22/2017	1FE	
98158V-AC-9	WORLD OMNI AUTO LEASE 2012-A		07/29/2014	VARIOUS		94,813	94,739	94,725	94,750	0	(8)	0	(8)	0	94,742	0	71	71	506	11/16/2015	1FE	
98158V-AD-7	WORLD OMNI AUTO LEASE 2012-A		07/01/2014	BARCLAYS CAPITAL INC WACHOVIA SECURITIES		165,322	165,000	164,990	165,010	0	(6)	0	(6)	0	165,004	0	318	318	957	11/15/2017	1FE	
984121-CF-8	XEROX CORP		07/15/2014	CAPIT MITSUBISHI UFJ		781,043	750,000	752,895	751,910	0	(309)	0	(309)	0	751,601	0	29,441	29,441	18,622	03/15/2017	2FE	
98412J-BA-1	XEROX CORP		07/15/2014	SECURITIES LINSICO/PRIVATE LEDGER		275,758	250,000	214,503	236,496	0	2,967	0	2,967	0	239,463	0	36,294	36,294	14,350	04/01/2016	2FE	
380956-AD-4	GOLDCORP INC NEW	I	07/23/2014	COR CFG CAPITAL MARKETS LLC		988,700	1,000,000	1,005,300	1,004,971	0	(267)	0	(267)	0	1,004,705	0	(16,005)	(16,005)	32,169	03/15/2023	2FE	
89346D-AE-7	TRANSALTA CORP	I	09/19/2014	MATURITY		1,006,010	1,000,000	1,026,590	1,025,383	0	(283)	0	(283)	0	1,025,099	0	(19,089)	(19,089)	66,625	03/15/2040	3FE	
06739F-FZ-9	BARCLAYS BK PLC	R	07/10/2014	BANC AMERICA SECURITIES		365,000	365,000	386,039	370,052	0	(5,052)	0	(5,052)	0	365,000	0	0	0	18,980	07/10/2014	1FE	
29358Q-AB-5	ENSCO PLC	R	07/02/2014	MERRILL LYNCH PROFESSNL		259,858	250,000	262,850	257,393	0	(1,658)	0	(1,658)	0	255,735	0	4,123	4,123	6,613	03/15/2016	2FE	
404280-AK-5	HSBC HLDGS PLC	R	07/15/2014	C		510,660	450,000	466,407	462,751	0	(807)	0	(807)	0	461,944	0	48,716	48,716	18,041	04/05/2021	1FE	
66711K-AA-3	ODEBRECHT OFFSHORE DRILLING	R	09/02/2014	PRINCIPAL RECEIPT		2,100	2,100	2,142	2,142	0	(2)	0	(2)	0	2,139	0	(39)	(39)	107	10/01/2022	2FE	
71645W-AR-2	PETROBRAS INTL FIN CO	R	07/17/2014	BARCLAYS CAPITAL		986,537	950,000	1,038,888	1,027,994	0	(5,261)	0	(5,261)	0	1,022,732	0	(36,195)	(36,195)	62,374	01/27/2021	2FE	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					49,102,398	44,873,914	47,880,287	29,352,215	9	(144,357)	0	(144,348)	0	47,696,301	0	1,406,091	1,406,091	1,494,140	XXX	XXX	
8399997	Total - Bonds - Part 4					168,254,983	161,303,638	168,527,816	77,448,337	(19,073)	(677,917)	0	(696,990)	0	167,681,531	0	573,447	573,447	3,343,916	XXX	XXX	
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total - Bonds					168,254,983	161,303,638	168,527,816	77,448,337	(19,073)	(677,917)	0	(696,990)	0	167,681,531	0	573,447	573,447	3,343,916	XXX	XXX	
8999997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
922908-88-4	VANGUARD EXTENDED MKT INDEX INSTL		07/17/2014	VANGUARD GROUP		62,111,801	4,000,000	2,675,155	3,897,516	(1,222,360)	0	0	(1,222,360)	0	2,675,155	0	1,324,845	1,324,845	870			
922031-74-5	VANGUARD FIXED INCOME SECS FD		08/13/2014	VANGUARD GROUP		1,461,187,215	16,000,000	17,338,869	15,152,511	2,186,357	0	0	2,186,357	0	17,338,869	0	(1,338,869)	(1,338,869)	149,041			
9299999	Subtotal - Common Stocks - Mutual Funds					20,000,000	XXX	20,014,024	19,050,027	963,997	0	0	963,997	0	20,014,024	0	(14,024)	(14,024)	149,911	XXX	XXX	
9799997	Total - Common Stocks - Part 4					20,000,000	XXX	20,014,024	19,050,027	963,997	0	0	963,997	0	20,014,024	0	(14,024)	(14,024)	149,911	XXX	XXX	
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999	Total - Common Stocks					20,000,000	XXX	20,014,024	19,050,027	963,997	0	0	963,997	0	20,014,024	0	(14,024)	(14,024)	149,911	XXX	XXX	
9899999	Total - Preferred and Common Stocks					20,000,000	XXX	20,014,024	19,050,027	963,997	0	0	963,997	0	20,014,024	0	(14,024)	(14,024)	149,911	XXX	XXX	
9999999	Totals					188,254,983	XXX	188,541,840	96,498,364	944,924	(677,917)	0	267,007	0	187,695,555	0	559,423	559,423	3,493,827	XXX	XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....0

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open
N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open
N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made
N O N E

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open
N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By
N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To
N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned
N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned
N O N E

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0380

NAIC Company Code 53007

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	4,335,502	XXX	0	XXX	4,335,502
2. Earned Premiums	4,335,502	XXX	0	XXX	XXX
3. Claims Paid	3,988,988	XXX	0	XXX	3,988,988
4. Claims Incurred	4,105,013	XXX	0	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	0	XXX	0	0
6. Aggregate Policy Reserves - Change	0	XXX	0	XXX	XXX
7. Expenses Paid	717,302	XXX	0	XXX	717,302
8. Expenses Incurred	717,302	XXX	0	XXX	XXX
9. Underwriting Gain or Loss	(486,813)	XXX	0	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	(370,788)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$0 due from CMS or \$0 due to CMS